

CABINET

18 March 2009

THE HOUSING REVENUE ACCOUNT BUSINESS PLAN UPDATE 2009/10

REPORT OF HEAD OF LANDLORD SERVICES

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RECENT REFERENCES:

CAB857 - Housing Strategy & HRA Business Plan 2004 (20 April 2004)

CAB1646 – Housing Revenue Account Business Plan Update 2008/09

CAB1797 – Housing Revenue Account Budget 2009/10

EXECUTIVE SUMMARY:

The Housing Revenue Account (HRA) Business Plan 2004-34, was assessed as “Fit for Purpose” by the Government Office for the South East (GOSE). The Council is not required to produce a further plan for assessment for the foreseeable future. However, it is recognised as good practice to update plans annually.

A key element of the plan is the Council’s Repairs and Renewals programme. In 2005, Cabinet approved the Major Repairs, Renewals and Maintenance Strategy for the period 2005-2010. The draft plan appended to this report includes an update of progress with the strategy and sets out an elemental Major Repairs, Renewals and Maintenance Plan for 2009/10.

Whilst Cabinet has approved the suspending of certain maintenance elements within the programme, with further information now to hand it has been possible to increase provision in key areas including programmed gas boiler replacements. Whilst still not meeting the potential need, an additional £500,000 is included to fund this element. Also, with the final budget provision for repairs approved by Council in February being better than originally predicted, the budget for disabled adaptations has also been increased to better meet existing demand.

RECOMMENDATIONS:

- 1 That the HRA Business Plan update for 2009/10, including the proposed Major Repairs, Renewals and Maintenance Programme, be approved.
- 2 That the Head of Landlord Services be given authority to make minor editing amendments in consultation with the Portfolio Holder for Housing prior to final publication of the plan.

CABINET – 18 March 2009

THE HOUSING REVENUE ACCOUNT BUSINESS PLAN UPDATE 2009/10

REPORT OF HEAD OF LANDLORD SERVICES

DETAIL:

1 Introduction

- 1.1 All councils who retain their housing stock are required to prepare a long term business plan for Housing Revenue Account (HRA) services in accordance with “Fit for Purpose” guidance from the Office of the Deputy Prime Minister (ODPM).
- 1.2 The Government Office for the South East (GOSE) is required to assess these documents against the “Fit for Purpose” criteria. Once they are assessed as meeting all criteria and classified as “Fit for Purpose”, the requirement for annual assessment is relaxed. With the 2004 HRA Business Plan meeting this criteria, no annual assessment is due this year. However, in line with good management practice, the annual update appended to this report has been prepared to support service delivery and monitoring over the next year and in particular includes the annual update of the Major Repairs, Renewals and Maintenance Strategy, which sets out how the Council is planning to achieve the Decent Homes Standard for all its housing stock.

2 The HRA Business Plan – 2009/10 Update

- 2.1 The update included as Appendix 1 to this report has been prepared based on the requirements of GOSE and also the Audit Commission, which in 2005 recommended that the general business plan and repairs plans be merged to provide a comprehensive approach to asset and business management.
- 2.2 Whilst it is expected that HRA business plans cover a 30 year planning period, it should be noted that this update covers only one year for good reason. The current uncertainty created by the Government Review of Housing Finance means that the extent of the Council’s ability to maintain services in future years is unknown at this stage. Once the future national position is clearer, it will be possible to conclude the Council’s ongoing Housing Options review and to determine priorities and targets based on resources that are or will be available.
- 2.3 The key priorities for 2009/10 are set out in section 4 of the plan and include:
- a) Completing the Decent Homes programme.
  - b) Delivering a supplementary capital programme, funded through asset sales, which addresses the increasing demands in areas such as disabled adaptations, boiler replacement, upgrades to kitchens to bathrooms and works to address the digital switchover deadline.

- c) Reviewing the feasibility of new build by the Council in light of the latest Government guidance on this issue.
- d) Completing the Housing Options Review in light of announcements emerging from the Government's review of Housing Finance due in June 2009.
- e) Implementing changes to Supported Housing in light of the requirements of the Supporting People district wide strategic review completed earlier this year.
- f) Improving cost effectiveness of Central Control by achieving growth in the private lifeline market and supporting County wide trials of Telecare technology.
- g) Improving performance in key areas such as arrears, repairs and voids.

### 3 The Major Repairs, Renewals and Maintenance Strategy

- 3.1 The nature and extent of the programme to achieve Decent Homes Standard by 2010 was determined by the 2003/04 Stock Condition Survey and the 2007 update to this survey.
- 3.2 Section 3 of the attached Business plan sets out in detail how the Council has progressed against this strategy. At the start of 2008, 0.5% of stock was classed as "non decent". By the end of March 2009, this will have improved to 0.3%. Therefore the Council is on track to meet its strategic objective of meeting Decent Homes throughout its housing stock by March 2010.
- 3.3 Section 3 of the appendix also provides full details of the Major Repairs and Renewals Programme for 2009/10. A summary is provided on page 11, indicating the effect of rebalancing the programme to allow for the suspended elements previously agreed by Cabinet (CAB1769 refers).
- 3.4 Members will be aware of the changes required to the 2009 programme due to financial restrictions. The final HRA budget was approved by Council on 19 February 2009 (CAB1797 refers) Provision for maintenance works (not including staffing costs) was slightly better than originally predicted at £7.1m overall (revenue and capital – not including any potential income from asset sales). In effect, this means that a more reasonable provision for Disabled Adaptations can be made, resulting in an annual budget of £745,000. The current year's budget of £550,000 has resulted in a £200,000 backlog and once the backlog is funded from next year's provision, a similar annual budget will remain, which could again result in a similar backlog if demand remains at current levels.
- 3.5 It should be noted that whilst the Council is set to achieve the Decent Homes Standard by 2010, to maintain the Winchester Decent Homes Standard an annual budget of £9.8m pa is required for the 5 year planning period 2009/13. The Council has planned to invest a minimum of £7.1m in 2009/10 (or a maximum of £8.1m depending on house sales). This represents a shortfall of £2.7m (28%) at worst and £1.7m (17%) at best per annum. From an asset

management perspective this current situation is therefore not sustainable and will require further strategic actions in order to reduce the gap in funding.

- 3.6 If the Council wanted to accelerate the programme to bring all kitchens and bathrooms up to a 20 and 30 year age profile respectively as recommended by Surveying Consultant David Adamson over the corresponding 5 year period, this would require a total budget of approximately £13.4m per annum.

#### 4 The Supplementary Capital Programme

- 4.1 The 2008/09 Business Plan Update included provision for £1.0m to fund works included in the “Supplementary Capital Programme”. These works were subject to receipts arising from asset sales. Throughout 2008/09, no market sales have been completed, although two are nearing completion and the disposal of two Bishops Waltham properties as part of a social housing development has generated a £96,000 receipt.

- 4.2 This has meant that it has not been possible to complete any of the Supplementary Capital Programme, with the exception of £150,000 of disabled adaptation works.

- 4.3 The Supplementary Programme for 2009/10 is included within section 3 and Appendix C of the attached plan. However, it must be noted that any works in relation to this programme is reliant on receipts from future sales.

#### 5 Achieving Value for Money

- 5.1 With the increasing financial pressures highlighted above, ensuring that Council services provide value for money is essential. The tables 1 to 4 shown in section 5 of the plan give an overview of cost and performance compared with other local authority landlords for 2007/08.

- 5.2 Whilst certain key performance indicators have dropped out of the top quartile nationally, overall performance compares well with other local authority landlords. At the same time, the unit cost of housing management (everything other than repairs works) is well below the average nationally. The City Council's unit cost of £13.42 per property per week for 2007/08 compares to the national average of £16.04 and £16.28 for district councils in the south of England. In fact, it is worth noting that the projected unit costs for 2008/09 remain below £14.00.

- 5.3 Overall this cost compared to outputs demonstrates value for money. In areas where performance has not been as strong, such as void management, significant attention has been given to improve performance, without any increase in management costs.

#### 6 Relevance to Corporate Strategy

- 6.1 Business plans set out the programmes of work that will deliver the Council's corporate priorities and those other strategies and legal requirements that form its agreed policy framework over the coming year.

## 7 Resource Implications

7.1 Detailed information on the resource implications of proposals set out in this business plan update are included in section 5 of the Plan, which sets out the full HRA budget for 2009/10. Draft 30 year financial projections are also provided in tables 6 and 7 in section 5. These clearly indicate that the Council's existing Landlord Services cannot be funded by the current Government housing finance regime beyond 2012.

## 8 TACT Comment

8.1 TACT has been directly involved in the development of the key priorities highlighted in this plan and Clive Broomfield presented a briefing paper on the key priorities to the TACT meeting on 18 February 2009.

8.2 TACTs views on the current Government regime for housing finance are well known and have not changed since those put forward as part of CAB1797 – The Housing Revenue Account Budget.

8.3 TACT have no further comment, other than to say:

- Until the government declare its findings regarding the Housing Revenue Account Review, there is little point on speculating the future of the HRA.
- For until the negative subsidy is removed, tenants cannot look forward to fair play, and a just service for council tenants and things cannot improve. So like the Council, the outcome will be critical to council tenants to what the future holds. However should the government go back on its word to do away with this unfair system TACT will continue its fight for justice, of this you should be sure.

## Appendices:

### Appendix 1 Housing Revenue Account Business Plan – 2009/10 Update

Due to its size, the Plan is appended for Cabinet Members only, in addition to the Chairman of Principal Scrutiny Committee, Group Leaders and Chairman of Social Issues Scrutiny Panel. A copy will be available in the Members' Library and on the Council's Website: [www.winchester.gov.uk](http://www.winchester.gov.uk).

# **Housing Revenue Account Business Plan 2004-34**

## **2009/10 Update**

**WINCHESTER CITY COUNCIL  
HOUSING REVENUE ACCOUNT BUSINESS PLAN – 2004 -2034  
2009/10 Update**

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**Appendices:**

- A Summary Description of Elemental Components of Major Repairs, Renewals & Maintenance Programmes and Their Management/Purpose
- B Supplementary Major Repairs & Renewals Programme (Commencing April 2007)
- C Indicative Supplementary Capital Major Repairs & Renewals Programme & Investment Profile
- D Operational Objectives and Service Summaries

**Accessibility**

This document can be viewed on [www.winchester.gov.uk](http://www.winchester.gov.uk)  
 The Plan can also be made available to you in a variety of formats including - Braille, large print or tape or audio compact disk and in languages other than English.  
 For further information please contact – Denise Sturgess on 01962 848523 or email [housing@winchester.gov.uk](mailto:housing@winchester.gov.uk)

## 1. Background to the Service

The Landlord Services Division is responsible for providing a management and maintenance service to over 5000 council properties throughout the Winchester District. The housing stock is mainly traditional built low-rise houses. The Council has always sought to deliver a high quality housing service and over the years has continued to achieve the investment needs of its housing stock. In addition to general needs housing tenancies, the City Council also provide in excess of 900 supported tenancies for older persons, over 40 “extra care” tenancies and over 50 units of accommodation for homeless households.

### 1.1 The Housing Revenue Account (HRA)

The HRA is a ring fenced operating account that funds all services provided directly to City Council tenants. The Council recovers in excess of £22 million per annum through housing rents and other charges. However, £9 million of this income is immediately recovered by Government through the Housing Subsidy system. The remainder of the income supports the provision of general management services, a range of special services to specific tenants (for which direct service charges are raised) and a comprehensive maintenance programme aimed at achieving and maintaining the Decent Homes Standard for all Council dwellings.

### 1.2 The Housing Revenue Account (HRA) Business Plan 2004-34

The HRA Business Plan 2004-34 was “signed off” by the Government Office for the South East (GOSE) as fit for purpose in July 2004. Whilst this resulted in GOSE determining that our plan did not require further assessment for a three year period, the Council has continued to update the Plan on an annual basis and this document is the second update. The Business Plan will be subject to a full revision in 2009/10 following the announcement of findings from the Governments Review of Housing Finance and completion of the Housing Options review this year. Because of this, targets and objectives in this Plan cover only the 2009/10 financial year. Future priorities and targets will be determined as part of the Housing Options Review.

### 1.3 Housing Stock

The area of Winchester City Council extends over 250 square miles and now has a population approaching 112,500. At the end of March 2008, there were nearly 45,000 dwellings in the district, of which 5,084 were owned by the Council. There are also 323 “Right to Buy” leasehold flats which we continue to manage.

Bedsits	98
1 Bed properties	1601
2 Bed properties	1682
3 Bed Properties	1646
4 Bed Properties	57
Right to Buy Leaseholds	323



These figures include 1,002 units of accommodation in sheltered housing schemes for elderly persons. Further background statistics relating to the service can be found in the [2007/08 Annual Report](#).

#### 1.4 **Tenant Involvement in Identifying Priorities**

The City Council's tenants have a very well established tenant representation structure. Seeking customer views and involving them in identifying service priorities is a critical element of any service planning process. TACT, the tenants representative group, work very closely with members and Landlord Services staff and have played a major role in shaping current services, both through effective scrutiny and challenge and through regular consultation and involvement, both through monthly meetings and the specialist service forums they have established (Property and Contracts, Voids, Rents/Business Planning and Leaseholder forums).

Tenants generally have also contributed towards the planning process through the tenant wide aspiration survey completed in 2004 and the more recent status survey completed in 2007. This survey highlighted that the majority who responded felt that little or no improvement was needed to service delivery. The key areas identified as most important to tenants were Repairs and Maintenance, the overall quality of homes and providing good Value for Money. The priorities identified in section 4 of this report take these views into account.

#### 1.5 **Council Strategic Priorities**

At its meeting on 7 January 2009, the City Council agreed the Winchester District Sustainable Community Strategy for 2009-2014 and its own Corporate Business Plan for 2009/10. The Community Strategy includes the priorities to achieve 'Safe and Strong Communities', 'Health and Wellbeing for residents' and for an 'Inclusive Society'. The Council's Corporate Business Plan includes one additional outcome which the Council seeks for itself and which is not relevant to the wider shared Sustainable Community Strategy. This desired outcome is to be *an efficient and effective council*. Part of this is a drive for greater efficiency which relates to all Council services.

Priorities in this Plan take full account of these strategic priorities and links are highlighted in section 4.

#### 1.6 **Housing Options**

The Council completed a detailed review of the options for future management of its housing stock in 2005 and concluded that it was able to continue to manage the stock and achieve the Decent Homes standard by 2010.

However, emerging pressures discussed in section 3 will make it very difficult to maintain the standard unless major changes to Government funding are announced. The Government review on Housing Finance will announce its findings in June 2009 and the Council will then need to conclude further review of Options in light of those announcements.

## 2 Summary of Progress in 2008/09

- 2.1 In the last year, there has been significant progress against the targets set out in the 2008/09 Business Plan update. Key achievements have included:
- 2.2 Key achievements in the last year have included:
- 2.1.1 Decent Homes progress – Whilst it was hoped to complete all outstanding “non Decent Homes” works a year ahead of schedule, this has not been possible due to the lack of income from asset sales. At April 2008, 0.5% remained non decent and this has been improved to 0.3% at March 2009 (15 properties). These properties technically fail the “amenities” element of the standard. The £250,000 included in the “Supplementary Capital Programme” funded from sales would have addressed this work, which amounts to approximately £100,000 for the 15 properties. Provision has been included in the base programme for 2009/10 so the target to achieve “Decency” by 2010 will still be achieved. Budget pressures discussed at previous meetings will make maintaining decency very difficult.
- 2.1.2 Sheltered Housing/Extra Care – The review of sheltered housing was completed by Hampshire County Council and new contracts approved for commencement in April 2009. The service was assessed as strong, although changes to increase support provided across the community were requested. The management of sheltered housing has therefore been reviewed and proposals to modernise the service and to ensure more consistent support is provided to all supported tenants are being considered by Cabinet this month.
- 2.1.3 Tenancy Conditions – Revised conditions were consulted on and published to all tenants. A complete rewrite of the Tenants Handbook is also nearing completion.
- 2.1.4 Performance – The Council has continued to maintain strong performance in the key areas of Landlord Services. As reported to the Panel in February, it is likely that the Council will struggle to achieve the less than 1% target on rent arrears, although we will remain very close to it. Voids reletting performance has steadily improved throughout the year and repairs performance remains consistently high in line with key targets.
- 2.1.5 Introductory Tenancies – The scheme has been fully implemented and proved very successful. Far fewer new tenants fall into arrears than in previous years and when they do, appropriate measures are in place that ensure early intervention. New tenant training, 9 month reviews of all new tenancies and money advice from the Citizens Advice Bureau are all key elements of the scheme. Whilst a small number of notices have been served, to date none have needed to progress to court stage.
- 2.1.6 Respect – Landlord Services are now fully compliant with the Respect standard and have developed very effective working relationships with other agencies and particularly the police.
- 2.1.7 Tenants Compact – The Tenants Compact has been updated and the revised agreement has now been launched with the aim of improving tenant involvement in Landlord Services.

- 2.1.8 Equalities - Impact assessments for all key Landlord Services have been completed, along with a comprehensive equalities awareness training programme for Landlord staff.
- 2.1.9 Customer Service Excellence – The Division has also been assessed as compliant with the Government’s Customer Services Excellence standard. It was the first Council division to achieve this standard (albeit by a day, closely followed by the Customer Service Centre!)
- 2.1.10 Repairs and Renewals Programme – The core programme has been delivered funded by over £7m of revenue and capital resources. However, the planned supplementary programme of up to £1m could not be completed due to the slow market conditions and no market sales being completed.
- 2.1.11 Government Review of Housing Finance – The Council has made significant representations to Government arguing for greater local control and retention of rents. This has included forming part of the large lobby group coordinated by Waverley Council, direct representations to the Housing Minister by the Portfolio Holder for Housing, officer representations to the Department for Communities and Local Government and also personal representations to the House of Commons Housing Group. The Chair of TACT has been elected to the Board of the Defend Council housing Group and remains very active in the lobbying of Government by this group.

### 3 Delivering Decent Homes

#### 3.1 Background Information

3.1.1 The nature and extent of the programme to achieve Decent Homes Standard by 2010 and over a 30-year planning period, 2004 – 2034, was determined by the 2003/04 Stock Condition Survey. The Survey was carried out by consultant surveyors David Adamson and Partners. As part of the Housing Options Appraisal, the Options Appraisal Panel, comprising Elected Members and tenants (with the advice of TPAS and Officers), determined the drivers for the definition of the “Winchester Decent Homes Plus Standard” was:

- Meet the basic Decent Homes Standard by 2010
- Maintain current levels of service
- Continue to give priority to providing showers and other aids and adaptations (subject to assessment)
- Work with other organisations to improve safety and parking on estates

3.1.2 In addition and relative to Decent Homes, information gathered via a tenant survey of their opinions and aspirations about their homes and the environment in which they live was also utilised to inform the balance of the proposed Major Repairs, Renewals and Maintenance Strategy.

3.1.3 The Definition and Guidance for implementing Decent Homes from the ODPM was published in 2004 and included updates following the PSA Plus Review.

3.1.4 The Stock Condition Survey as previously reported (HO 28 and HO 56 refers) determined that the inclusive Housing Works Investment Plan for the investment planning period 2004-2013 would require annual investment totalling £7.0m pa (at 2004 base prices). This level of investment was deemed necessary to meet the Decent Homes Standard by 2010, and reflected previous maintenance management policies and levels of investment since the Council's initial Stock Condition Survey in 1988.

3.1.5 The Housing Works Investment profile to achieve Decent Homes by 2010 and for a 30-year planning period was shown in the Executive Summary Survey Report (HO 56, Appendix A refers).

3.1.6 In considering the period 2005 to 2010, by which time the Government requires Decent Homes Compliance, the Council was advised of the need to carry out specific works as part of a £7.0m pa programme. To achieve and maintain “decency” per se by 2010 was estimated to cost £1.7m. The Council had total funding of £6.6m pa available in 2005/06 and 2006/07 and needed to find savings of £400,000 pa to balance the budget and programme overall.

3.1.7 Savings were identified, considered and approved in four elemental parts of the programme:

	£
(i) Responsive Repairs	100,000
(ii) Void Reinstatement Costs at re-letting stage	145,000
(iii) Garages and Open Spaces Contingency	110,000
(iv) Contingent Major Repairs (transferred to HRA balances)	50,000
	<hr/>
	<u>£405,000</u>

3.1.8 As these savings were against base budget they are in effect year on year savings over the period 2005 – 2010.

3.1.9 Having regard to the current and future 2008/09 programme defined in para. 5.2.2 and the investment requirements defined by the Stock Condition Survey approved identified savings were based on the following criteria: -

- (i) Minimises the detrimental effect to property condition
- (ii) Maximises tenants' aspirations
- (iii) Offsets any contingent risks where appropriate
- (iv) Ensure decent homes compliance by 2010
- (v) Balance the programme to maximise impact of investment
- (vi) Has regard to relevant published guidance from DCLG.
- (vii) The stated objectives of the Housing Best Value Review 2003
- (viii) Does not compromise Health & Safety Standards
- (ix) Does not compromise Security

3.1.10 A similar base budget funded from the HRA, MRA and Council's Capital Programme totalling £6.766m was planned for 2007/08. Additional funding by means of limited house sales was planned from April 2007, with the intention of raising up to approximately £1.0m p.a. to supplement the Major Repairs Renewals and Maintenance Programme (CAB 1378 refers). \*

3.1.11 As at February 2008, 8 properties have been sold since the policy was introduced and £1.094m was generated from sales to underpin the 2007/08 Repairs and Renewals Programme.

However the slower than anticipated income from house sales meant that a revised profile of commitment expenditure was necessary from November 2007, as at that time approximately £350,000 had been generated through sales.

In effect this has resulted in a slowing down of procurement of works throughout 2007/08 as commitment towards projects could only be made when cash from sales had been realised.

3.1.12 As at February 2009 5 properties remain committed for sale since April 2008. Of the £1m planned to be generated from sales to underpin the 2008/09 Repairs & Renewals Programme no property sales have been completed to date. If these 5 properties were sold this could generate approximately £600,000 to support the programme under the existing policy. In summary therefore house sales to date have generated £1.094m considerably less and approximately 50% of the £2m anticipated in the period 1/4/07 – 31/3/09, with a further £600,00 probable if all properties referred for sale actually sell 2009/10.

### 3.2 **Affordable Major Repairs, Renewals and Maintenance Strategy 2005 – 2010**

3.2.1 It has previously been reported (CAB 1231 Delivering Decent Homes – The HRA Business Plan 2006-2007, Cabinet 22<sup>nd</sup> March 2006), section 6, “Emerging Issues” that a number of property related matters would require additional funding over future years.

3.2.2 The Council’s approval of the Capital Programme 2006/07 to 2011/12 (CAB 1378 refers) gave an opportunity to begin to address these emerging issues, in a strategic manner, by means of a Supplementary Repairs and Renewals Programme. The proposed elements of the original and supplementary programmes are shown in section 5.3 of this report.

3.2.3 However with house sales not generating funds to support the programme in any timely or reliable way it is considered not possible or prudent to pre-plan for any planned expenditure from this source in 2009/10. It is proposed instead that any funding raised via sales should be used to underpin elements of the programme as shown in Appendix C as and when any sales occur.

3.2.4 Subject to budget outturn from 1 April 2009 the total of funding towards the proposed programme is as follows: -

HRA Revenue	£3.730m	(including £300,000 for disabled adaptations)
WCC (Capital Programme)	£0.200m	(for sewage treatment works)
WCC (Supp. Capital Programme) (not included in base budget)	£1.000m	(Provisional sum)
MRA (Government Grant)	£3.444 m	
<b><u>Total Budget for Planning Purposes</u></b>	<b><u>£7.374m</u></b>	<b>(Including £275,000 towards staff salaries)</b>

Potential Supplementary Sum available if

all properties referred to date sell                      £ 0.600m

- 3.2.5 It should be noted that from 1/4/07 it has been necessary to charge the time of Planned Maintenance Staff spent on major works projects direct to the Capital Programme. This has been necessary to return the HRA into a sustainable position and restore a working balance (CAB 1369 refers).
- 3.2.6 A summary description of the elemental components of the Major Repairs, Renewals and Maintenance Programme is given in Appendix A of this report. This includes details of the proposed deferment and realigning of certain programmes from within the Major Repairs and Renewals Base Programme from 1 April 2009 to match funding likely to be available during 2009/10.
- 3.2.7 A similar summary description of the elemental components of the Supplementary Major Repairs and Renewals programme, that can only be undertaken if sales occur during 2009/10, is given in Appendix B of this report.
- 3.2.8 During the period 2007/08 3 specific strategic reviews were undertaken to inform the sustainability of the Council's Asset Management Plan for Housing and ultimately the HRA Business Plan.

These were: -

(i) Update of the Council Home Condition Survey carried out in 2003 – primarily to update the Investment Forecast 2008/09 – 2037/38, and particularly

2009-13, the next 5 year planning period.

(ii) Gas Fired Heating Systems in the Council's Housing Stock.

(iii) The effect of the Disability Discrimination Act 1995 (DDA) towards publicly accessible areas of HRA property.

The findings and financial implications of these 3 reviews is summarised in 5.7. of this report. Further the findings and impact of such have been reported to the Housing Options Steering Group in July 2008, Social Issues Review Panel on 10 November 2008 (SO77 refers) and Cabinet on 10 December 2008 (CAB 1769 refers).

- 3.2.9 The balance of the existing programme 2008/09 has evolved and reflects the impact of previous investment, the age profile and "technical" requirements of the stock, tenant's aspirations whilst endeavouring to minimise any risk to the Council in its capacity as Landlord. Further taking into account the savings previously identified in para. 5.1.7, the emerging issues as previously reported and the potential size of the budget overall as set out in para. 5.2.4, the balance of the proposed programme across the principal elements for 2009/10 is as follows:

## Proposed Major Repairs, Renewals and Maintenance Programme 2009/10 and Supplementary Repairs and Renewals Programme 2009/10

The content and balance of the proposed programme for 2009/10 is as follows:

## Major Repairs, Renewals and Maintenance Programme 2009/10 (Assuming No Supplementary Funding)

MAJOR REPAIRS, RENEWALS & MAINTENANCE PROGRAMME 2009/10						INDICATIVE PROGRAMME 2009/10 (ASSUME NO SUPPLEMENTARY PROGRAMME)		NOTES
Budget Expenditure Type						Proposed Re-Balancing Policy Changes		
Ref	Work Element	REV	MRA	WCC CAP	Total Budget	MINUS (-)	PLUS (+)	
	<b>Term Maintenance Programme</b>	<b>£3.730m</b>	<b>£3.444m</b>	<b>£0.2m</b>	<b>£7,374,000</b>			
1	Responsive day to day repairs under £300 in value. Other "catch-up" works over £300 in value.	700,000	350,000		700,000 350,000			
	<b>Voids Maintenance</b>							
2	Change of tenancy costs	370,000						
3	Term Responsive	190,000						
4	Planned Maintenance		120,000					
5	Decorating Vouchers	40,000			720,000			
	<b>Cyclic Maintenance</b>							
6	External Repair & Painting	370,000	200,000			270,000		Subject to survey, defer part of external painting programme on a needs basis (section 5.9.6 (ii) refers) Repairs element of programme to be retained.
7	OAP Internal Redecorations	175,000				175,000		Defer internal redecoration works programme (section 5.9.6 (iii) refers)
8	Heating Appliance Service Contract	1,065,000						
9	E&M Service Contracts	120,000						
10	Electrical Testing & follow up works	100,000			2,030,000			
	<b>Major Repairs &amp; Renewals Programme</b>							
11	Kitchen & Bathroom Renewals Consequent to Voids		400,000 400,000			200,000		Defer 25% of kitchen replacement programme. The reality will mean that 50% of planned replacements in existing properties will be deferred. (5.9.6 (iv) Refers)
12	Window & Door Replacement (Prov Sum)		250,000					
13	External Envelope works to maintain DHS		519,000					
14	DDA Works		0					
15	Garage Repairs & Misc Estate Works		100,000					
16	Asbestos Removal		50,000					
17	Internal Work to maintain DHS		80,000					
18	Heating Systems Replacement & associated works		500,000				500,000	Increase budget to replace greater numbers of obsolete heating systems, (section 5.9.6 (v) refers)
19	Lift Refurbishment		25,000					
20	Communal TV Aerial Replacement		25,000				100,000	Increase budget to carry out belated Phase I of Digital Switchover works (section 5.9.6 (vi) refers)
21	Disabled Adaptations Work	570,000	130,000				45,000	Increase Budget to carry out high priority adaptations work (section 5.9.6 (vii) refers)
22	Upgrading of Sewage Treatment Works			200,000				
23	Consultancy Support Costs		50,000					
24	Planned Maintenance Staff Costs (greater part)	30,000	245,000		3,574,000			Revenue Budget also includes £30,000 for maternity cover in 2009/10.
	<b>Budget Carried Forward</b>	<b>3,730,000</b>	<b>3,444,000</b>	<b>200,000</b>	<b>7,374,000</b>	<b>645,000</b>	<b>645,000</b>	



INDICATIVE SUPPLEMENTARY MAJOR REPAIRS & RENEWALS PROGRAMME 2009/10						
Budget Expenditure Type						
Ref	Work Element	REV	MRA	WCC CAP	Supplementary Capital	Total Budget
	Budget brought forward	3,730,000	3,444,000	200,000		7,374,000
	Major Repairs & Renewals Programme (Supplementary Programme)				(Provisional budget) 1,000,000*	
11a	Kitchen & Bathroom Renewals				250,000	
18a	Heating Systems Upgrade				400,000	
21a	Disabled Adaptation Works				150,000	
23a	Project Management Fees				100,000	
	Digital Switchover				100,000	
	Total Indicative Budget	£3,730,000	£3,444,000	£200,000	£1,000,000	£8,374,000

\* This figure assumes that further properties will be referred for sale in 2009/10 to raise a potential £1m

### 3.3 Decent Homes Compliance (Update 1<sup>st</sup> February 2009)

#### 3.3.1 Background Information

The stock condition survey carried out in 2003 estimated that of the 5,232 properties owned by the Council at that time, 3646 dwellings (70%) were compliant and 1586 dwellings (30%) failed by at least one matter of the standard and were by definition Non-Decent. Combined element failure within the Standard was uncommon with the majority of non-decent dwellings failing on only one element.

3.3.2 The pattern of Decent Homes defect classification in property numbers in 2003/04 was as follows:

Unfit	26
Disrepair	274
Amenities	65
Energy Only	1221
No Defects	<u>3646</u>
	<u>5232</u>

3.3.3 Full details of progress towards achieving Decent Homes Standard over the period 2003-2008 inclusive is shown in Appendix D of this report.

3.3.4 **Decent Homes Defect Classification 1<sup>st</sup> February 2009 (Current Position)**

Classification	No	Comments
Unfit	0	There are no known properties within this classification
Disrepair	0	Disrepair as identified by Stock Condition Survey was completed by 31/3/08 Any newly arising external repair issues will be dealt with as part of the 5 yearly external repairs and painting programme.
Amenities	15	7 properties were completed as programmed. 15 properties still remain to be considered as part of the 2009/10 programme. (1 property has been referred for sale)
Energy	0	It is considered that no homes are deficient in this classification as defined by DHS.
Adjustment for Sold Properties	0	

3.3.5 The estimated cost of outstanding works as identified specifically by the Stock Condition Survey is approximately £100,000.

3.4 **Proposed Repairs Strategy to Complete Decent Homes works specific 2005-2010 (2009 update)**

3.4.1 As identified by the Stock Condition Survey, to achieve and maintain decency by 2010 will, together with other works identified within the programme, require specific works to be carried out incrementally throughout the stock. The following indicative elemental programme demonstrates how progressively the Decent Homes Standard is being achieved.

Criteria	March 2005	March 2006	March 2007	March 2008	March 2009	March 2010
Unfit	15	7	1	-		-
Disrepair	200	142	100	-		-
Amenities	61	59	54	23	15	-
Energy	632	542	305	-	-	-
<b>Total Non Decent</b>	<b>908</b> <b>(17.5%)</b>	<b>750</b> <b>(14.5%)</b>	<b>460</b> <b>(9%)</b>	<b>23</b> <b>(0.5%)</b>	<b>15</b> <b>(0.3%)</b>	<b>0</b> <b>(0%)</b>

3.4.2 Allowing for 7 properties achieving decency in 2008/09 a revised estimate of properties owned by the Council on 1<sup>st</sup> February 2009 (5099 excluding leasehold properties) that were by definition non-decent was 15 properties (0.3%) and by implication 5084 properties (99.7%) met Decent Homes Standards.

3.4.3 Therefore it can be seen that subject to programme, and other emerging issues, Decent Homes Compliance will be achieved by 31<sup>st</sup> March 2010, and within the defined Government target of 31<sup>st</sup> December 2010.

### 3.5 Proposed Repairs Strategy to Maintain Decent Homes Compliance for the Period 2009/2013

3.6.1 Report CAB 1378, Capital Programme 2006/07 – 2011/12 approved the Housing Revenue Account Capital Growth Bid of £1.0m per annum in principle for the next five years, on the basis and funded by limited house sales (up to 10 houses) per year over a corresponding 5 year period.

3.6.2 The purpose of generating a further receipt of up to £1.0m annually was to meet a number of emerging stock related issues as previously identified (CAB 1231 section 6 refers) that would require additional investment to ensure that the Council's Decent Homes Plus Standard could be maintained beyond anticipated compliance by March 2010.

3.6.3 The key areas in which investment is required to form a Supplementary Capital Major Repairs and Renewals Programme, distinct and separate from the base Major Repairs, Renewals and Maintenance Programme are set out in Appendix B of this report, and contain both a summary description of the reason and purpose of each works element proposed (including project fees).

3.6.4 The total expenditure generated by sales in 2007/08 allowed for works identified in the year 2007/08 to be carried out as shown in Appendix C of this report. However as money could not be committed towards works until sales were complete works have in effect been completed over the 2 year period 2007/09.

- 3.6.5 An indicative programme of works is shown in Appendix C for 2009/10 of up to £1m. However because of the unpredictability of sales anticipated no allowance has been made for funding to support the programme from this source. The programme therefore is for illustrative purposes only and will be utilised to allocate priority funding if there is a sales upturn.
- 3.6.6 The balance of funding towards the elements shown in year 1 (2007/08) of the supplementary programme has in each area contributed towards both achieving and maintaining Decent Homes, and the stated Winchester Decent Homes Plus Standard by: -
- Starting to meet increasing numbers of Amenity Failure in kitchens and bathrooms.
  - Starting to rebuild garages where beyond economic repair.
  - Starting to address increasing obsolescence in gas fired heating systems.
  - Substantially reducing the backlog in Aids and Adaptation works.
- 3.6.7 Timing of works will obviously depend on the number and how sales practically materialise and when monies are actually available to meet project costs. Consideration is also given as to what additional staff and/or consultancy resources are required to ascertain, procure and enable the works to be carried out (from inception to final account).
- 3.6.8 When income from the house sales are realised works can incrementally be committed towards priority works elements proposed in the 2009/10 Supplementary Major Repairs and Renewals Programme. However as previously stated with house sales currently curtailed there is no reliability to this funding and therefore prevents work from being planned and carried out in a strategic manner.

### 3.7 **Asset Management – Strategic Reviews**

- 3.7.1 As previously stated (para. 5.2.8 refers), 3 specific strategic reviews have been undertaken to inform the ongoing sustainability of the Council's Asset Management Plan for Housing and the HRA Business Plan. These were:
- Update of the Council House Condition Survey carried out in 2003 – primarily to update the investment forecast 2008/09 – 2037/38, and particularly the next 5 year planning period 2009-13.
  - Review of the replacement needs of Gas Fired Heating Appliances and associated heating systems upgrading throughout the Council's Housing Stock.
  - The effect of the Disability Discrimination Act 1995 (DDA) towards publicly accessible areas of HRA property.
- 3.7.2 The results and impact of all 3 reviews are now known and have informed the Housing Options Appraisal Process. A brief summary of each review is as follows:

(i) **Stock Condition Survey Update 2008 and Heating Systems Review – Interim Findings**

The stock survey was carried out in 2003 by consultant surveyors David Adamson & Partners to determine the nature and extent of the Council's Housing Asset Management Plan to achieve Decent Homes Standard by 2010 and over a 30-year planning period 2004 – 2034. Following a Housing Options Appraisal carried out by the Council in 2004 a "Winchester Decent Homes Plus Standard" was determined (para. 5.1.1 refers).

A desk-top review of progress 2004 – 2008 and investment needs for the period 2009 – 2038, and in particular the next 5 year planning period 2009 – 2013 recently carried out by David Adamson & Partners and Officers has concluded: -

- **Decent Homes Compliance**

That property management and investment actions have been successful, and that Decent Homes Standard will be met as planned within the Government target time of 2010.

- **Catch –Up Repairs**

That property management and investment actions have been successful in maintaining "Catch-Up" type repairs at similar levels to that identified by the Survey in 2003 (estimated at 4.87m at current costs). However with investment levels falling below that required this position is not considered sustainable.

- **Major Repairs**

The property management and investment actions have been successful in addressing the majority of the originally programmed works identified throughout the housing stock. However kitchen and bathroom replacement profiles were dependant on an extended life cycle reflecting their condition when assessed as good in 2003. It is now becoming apparent some 5 years since the survey, that as kitchen and bathroom facilities become older the potential for greater numbers of replacement on demand will occur. This has been particularly noticeable in properties becoming vacant (voids) since April 2007, and has resulted in approximately 80 kitchens requiring replacement since at a cost of approximately £400,000 pa as opposed to approx 25 during a corresponding period in previous years. Such expenditure is "on demand" as Council policy is to re-let properties within tightly defined timescales, and in accordance with Government targets. Relative to demand within occupied properties for kitchen and bathroom replacements a backlog of approximately 50 kitchens/bathrooms is anticipated at 31<sup>st</sup> March 2009 at an estimated replacement cost of £340,000. It is proposed that works to the value of £200,000 will be possible from the base programme to fund part of the backlog. However the balance of these and further kitchens as they occur throughout 2009 will be placed on a waiting list and will rely on income

from house sales to be realised before any further work can proceed. In effect therefore the Council will with the exception of new installations in void properties have no proactive planned replacement programme towards kitchens and bathrooms as originally envisaged.

Further as previously reported, the effect of increasing obsolescence in gas fired central heating systems (as confirmed by the 2008 Strategic Review) will result in greater numbers of heating appliances and systems being required. To meet increasing demand and minimise risk (of breakdown with no spares available) a replacement programme averaging 480 units per year at a cost of approximately £1.4m p.a. over the next 5 years will be required.

The existing base programme provides for £500,000 and in the absence of funding from house sales it is proposed to invest a further £500,000 from the base programme by deferring other less high priority works as identified in section 5.3 of this report. This will still result in a shortfall of £400,000 pa against identified need, a situation that is not considered sustainable. It is however proposed to set aside £100,000 of reserves from the HRA in 2009/10 as a specific contingency to mitigate risk and cater for ad-hoc boiler replacements as and when they may occur.

- **Recurrent Works**

The property management and investment actions have been successful in addressing the majority of ongoing (cyclical) works necessary over the 5 year planning period. Works have included external repair and re-decoration contracts, gas appliance service contract, OAP Internal re-decorations and various other electrical and mechanical service contracts. Further disabled adaptation works and associated funding have increased to meet ever increasing demand over the planning period (2004/09). However at the end of March 2009 a backlog of £200,000 in cash terms is anticipated towards which no funding is currently available. It is proposed therefore that this backlog will be funded from the increased budget of £745,000 in 2009/10 together with a base budget of £545,000 to cater for newly arising need.

- (ii) **Review of the effect of Disability Discrimination Act 1995 (DDA) on Publicly Accessible Areas of HRA Property.**

The extent towards which the implications of DDA apply to Housing Property is where members of the public are invited to attend specific events within Sheltered Housing Schemes. An Officer review has concluded that only communal lounges would require works to ensure DDA compliance. However the usage of such areas for publicly attended events is minimal and there is little justification for major investment (estimated at £300k).

It was proposed that the results of this review would be consulted upon with both Tenants and Elected Members later in 2008 with an agreed proposed policy being published by 31<sup>st</sup> December 2008. These issues are currently being considered as part of a wider review into sheltered

housing by the Supported Housing Informal Working Group who will make recommendations in due course. In the meantime no specific funding for any DDA works has been made.

### 3.8 Programme Issues & Shortfalls

- 3.8.1 **Base Budget & Inflation** - Because the budget available in 2004 at the start of the 2004 – 34 Asset Management Plan was insufficient to meet the identified overall programme needs, compromises were required from the outset (para. 5.1.7 refers). Further, in subsequent years construction related inflation has been significantly greater than that applied to the Major Repairs and Renewals budget overall, in order to maintain the HRA and its working balance at sustainable levels.
- 3.8.2 This has resulted in programme budgets being “managed” or suppressed over time to balance as far as possible year on year demands whilst also working towards longer-term strategic objectives and in particular meeting Decent Homes Standard by 2010. At a practical level a kitchen or external door being repaired as opposed to being replaced and/or a minimalist repairs policy being applied in general, may suffice to “get by” in the short term, will inevitably re-occur on demand, unplanned and potentially un-budgeted for at a future unknown time.
- 3.8.3 Whilst it is accepted that some management or suppression of demand is inevitable to balance budgets in the short-term it cannot continue over a prolonged period if the Council is to have a proper and sustainable medium to long term asset management plan. Therefore it is considered prudent to make appropriate strategic adjustments/corrections prior to the next 5 year planning period 2009/13, and include for an appropriate base budget based on asset needs, and the full predicted effect of construction related inflation.
- 3.8.4 An “interim” budget plan for the period 2008/09 was proposed in section 5.3 of the 2008/09 Business Plan update. However the budget of £9.75m was not fundable in full and none of the £1m from property sales to supplement the 2008/09 programme has materialised. The work anticipated can therefore only be deferred to appropriate waiting lists and/or not proactively commenced as no corresponding reliable funding source has been identified at this time.

### 3.9 Indicative Budget Proposals 2009 - 2013 inclusive.

- 3.9.1 As previously reported within the 2008/09 Business Plan Update, from 2009 – 2013, the second 5 year planning period of the Asset Management Plan 2004 – 2034 a revised Asset Management Plan should reflect the identified programme needs and budget at actual cost, and take account of the full effect of construction related inflation over the initial five year term.
- 3.9.2 Based on strategic information from the 2008 Stock Condition Survey update by David Adamson & Partners, and the Heating Systems Review by White Young Green together with adjustment for construction related inflation, an indicative main base budget of £9.76m (excluding staff costs) was required from 2009/10, and subject to annual inflation for the remainder of the 5 year planning period 2010 – 2013 inclusive. This sum has subsequently been adjusted downwards by £380,000 pa for revised heating upgrade costs and

upwards by £100,000 pa for Digital upgrade works, £200,000 pa for disabled adaptation works and £120,000 pa for extra/over works to void properties, all of which are now proposed to be included in the base budget for 2009/10. Making allowances for these adjustments a budget of £9.8m (excluding staff costs) is therefore required to ensure that the objectives of the Winchester Decent Homes Plus Standard can continue.

- 3.9.3 The difference between the works budget available for 2009/10 (£7.099m minimum excluding income from house sales and £8.099m maximum allowing £1m income from house sales) and the actual budget requirement for 2009/10 (9.800m) is £2.701m (28%) at worst and £1.701m (17%) at best p.a. The shortfall in funding "at worst" can be summarised as follows: -

	SHORTFALL ON BASE PROGRAMME	£ p.a.
1	<u>Stock Condition Survey 2008 Update</u> Works identified within original survey updated to reflect current unit cost of works and/or construction related inflation.	926,000
2	<u>Gas Fired Central Heating Systems Review</u> Newly arising need as a result of the recent strategic review based on gas boiler obsolescence.	900,000
3	<u>OAP Internal Redecoration Programme</u> From 1/04/2009 it is proposed to suspend the discretionary OAP Internal Redecoration Programme until further notice.	175,000
4	<u>Kitchen &amp; Bathroom Replacements</u> Extent of shortfall of planned programme works as originally envisaged in Winchester Decent Homes Plus Standard	500,000
5	<u>PVCu Window Replacement Programme</u> The original programme needs to be accelerated to include approx. 300 properties for window replacement over the 5 year planning period (to reflect current repair condition).	100,000
6	<u>Digital Switchover</u> Newly arising need as a result of Government plans announced in 2006.	100,000
	<b>Total</b>	<b><u>£2,701,000</u></b>

- 3.9.4 Appendix C to this report shows the previously approved Indicative Supplementary Capital Programme and priority towards spending and the effect of funding generated by sales (£1.094m just over half of that anticipated).
- 3.9.5 Further, because of the economic climate it is no longer considered prudent to rely on house sales to supplement the base Major Repairs & Improvement Programme. Therefore the only alternative is to rebalance the existing programme to enable the highest priority works to be included in the base programme detailed in section 5.3.1, in line with the financial resources definitely available in 2009/10.
- 3.9.6 A summary of works proposed to be omitted from the existing programme and deferred until further notice in order to rebalance the proposed programme 2009/10 is as follows: -



- Inflation - No general and/or construction related inflation to be applied across the programme. Rather the increase in budget has been utilised to underpin the higher priority works within the base programme.
- External Repairs & Repainting Programme - As defined in Appendix A – Ref. 6 it is proposed that following the survey of approximately 1100 properties that make up the 2009/10 programme any repairs necessary will be carried out with painting only towards these repairs and other identified defective areas to a total value of £300,000. Therefore if a property that was repainted 5 years ago remains in reasonable condition it is proposed to carry out no further works at this time. By carrying out any essential repairs this will retain properties in a wind and weathertight condition and ensure that properties do not fail the Decent Homes Standard under the Disrepair Classification. It is anticipated that this revised policy will provide up to £270,000 pa that can be utilised for higher priority works.
- OAP Internal Redecoration Programme - As defined in Appendix A – ref. 7, it is proposed to suspend the programme of works to approximately 350 properties annually until further notice. It is anticipated this revised policy will provide up to £175,000 pa that can be utilised for higher priority works.
- Kitchen & Bathroom Replacement Programme - As defined in Appendix A – ref. 11 and Appendix B – Ref 1, it is proposed to defer approximately 25% (£200,000) of base programme works until further notice. If supplementary funding of £200,000 is not achieved through sales, this in reality will result in only £200,000 of work being undertaken in 2009/10 and £500,000 pa of planned replacements anticipated being deferred. The remaining £400,000 included in the programme will be utilised to replace kitchens and bathrooms in disrepair when properties become void. It is anticipated at year end 31/03/09 approximately 50 kitchens and/or bathrooms referred for replacement during 2008/09 will remain on a waiting list for replacement. Under the “spirit” of Decent Homes Standard such works could be interpreted as failures under the Amenity category. It is anticipated that this revised policy will save up to £200,000 pa that can be utilised for higher priority works.
- Gas Fired Heating Replacements Programme - As defined in Appendix A – Ref 18, and Appendix B –Ref 3 refers, it is proposed to increase spending by £500,000 pa. With no supplementary funding of £400,000 through sales this will result in £1m being available for replacement works in 2009/10. However, as previously reported in the 2008/09 Business Plan Update, and at Social Issues Scrutiny Panel in November 2008 (SO77 refers) an investment need of £1.4m pa over the 5year period 2009-2013 has been identified. Therefore with £1m being available a shortfall of £400,000 pa will remain.
- Digital Switchover Programme - As defined in Appendix B – Ref 5, it is proposed to provide £100,000 to start work in 2009/10 in order to meet the 2012 Switchover deadline. It is estimated the total cost of work necessary to all properties with communal television aerials will be

approximately £300,000. Similar levels of funding will therefore be required in 2010 and 2011.

- Disabled Adaptation programme - As defined in Appendix A – Ref 21 and Appendix B – Ref 4 it is proposed to increase the works budget by a total of £345,000 to enable the estimated backlog of £200,000 at year end 2008/09 to be undertaken together with a base budget of £545,000 for newly arising need.

3.9.7 The total of proposed deferments from the existing Major Repairs and Improvements Programme in elements (i) – (iv) inclusive is £645,000. These “savings” are proposed to re-balance the programme and provide essential increases to the 2009/10 base budget elements.

### 3.10 Summary Issues of Concern – Asset Management Plan 2009-2013

3.10.1 The fundamental problem with maintaining the Winchester Decent Homes Plus Standard as agreed in 2004 over the next (2009/2013) 5 year planning period is a significant lack of funding as defined in section 5.11.6 of this report.

3.10.2 The Council will manage to achieve the Governments Decent Homes Standard by April 2010 as planned. However with funding shortfalls from the outset, together with newly arising and emerging needs to maintain the standard over the next 5-year planning period 2009/13 and towards a 30-year Business basis as originally planned (2004/2034), more funding is required for the following reasons and with the resulting consequences: -

	Reason	Consequence
(i)	Programme underfunded by £400,000 pa from outset in 2004/05	Over the last 5 year period 2004/08, £2m of identified investment has not been possible primarily towards responsive maintenance, voids reinstatement and garage repairs.
(ii)	Budget not being updated annually by Construction Related Inflation to cover costs from the outset in 2004/05.	This has resulted in the cost base of the Asset Management Plan not incrementally being increased year on year by inflation and/or unit cost of repairs and replacements. An increase of approximately £900,000 pa would be required on the 2009/10 base budget to make good the shortfall that has accumulated since 2004/05. Taken over the 5-year planning period and calculated on a cumulative basis this has resulted in a total of approximately £2.25m of investment being lost across the programme as a whole.
(iii)	Strategic Review of Gas Fired Heating Systems. Increasing obsolescence in	From 2009/10 for a 5 year period approximately 480 boilers annually will

	gas fired central heating systems will result in greater numbers of gas boilers requiring replacement to minimise the risk of failure.	need to be replaced at a cost of £1.4m pa. After omitting and deferring works from the base programme a £400,000 per annum shortfall will remain.
(iv)	Increasing number of kitchens and bathrooms requiring replacement "on demand" as part of void property reinstatement works. Original replacement programme was structured over the full 30 year Business Plan, but proving unsustainable.	From 2009/10 Replacement Programme being cut to a total of £600,000 pa as opposed to the £1.1m pa as originally planned. This will result in planned replacement works of approximately £0.5mpa not being carried out proactively and being deferred to a waiting list.
(v)	Government announcement in 2006 of the regional timetable to switch from analogue to digital transmission for Meridian in 2012.	That the Council's 61 Communal aerials receiving systems in sheltered accommodation and flats across the district will need to be upgraded over a 3 year period at a total estimated cost of £300,000
(vi)	Disabled Adaptations. Government Policy to retain OAPs within general needs housing wherever possible without any funding.	Demand for adaptations works as assessed by Occupational Therapists continues to grow. It is considered that a budget of approximately £750,000 pa is required to meet demand. The Council has incrementally increased this budget in effect at the expense of other works.
(vii)	NOTE – The David Adamson Survey update carried out in 2008 made recommendation that ageing kitchens and bathrooms would be best replaced over a 5 year period 2009/2013 to bring up to a maximum of 20 and 30 year age respective age profiles. This work would be carried out proactively and in a strategic manner.	This proposed strategy would cost approximately £13.4m to implement over the 5 year planning period at an annual cost of £2.6m in addition to the £1.1m pa originally planned. This inclusive repairs strategy would require a total budget of approximately £12m per annum over the next 5 year planning period (excluding catch-up repairs of approximately £1m).

#### 4 Key Housing Revenue Account Priorities Key Service Priorities 2009 – 2010

Corporate Priority	What will we do?	When will we do it?	How will we measure our success?	How much time / money will it take?	Who's Accountable ?
Safe and Strong Communities (Health and Well Being)	<b>Housing Options</b> – To update financial projections for the future management of Landlord Services in light of announcements from the Government review of Housing Finance	Jul 09	Updated financial projections	Key task for Head of Service, Head of Contract & Property Services, Housing Finance Mgr and Project Coordinator	Head of Landlord Services
	To complete formal review of Housing Options and recommend future management arrangements to Council (including necessary tenant consultation)	Dec 09	Future management arrangements approved		
	To review opportunities to exploit new Government rules allowing councils to build new social housing	Jun 09	Report to TACT and Scrutiny Panel (Cabinet if appropriate)		
Safe and Strong Communities (Health and Well Being)	<b>Decent Homes</b> – To deliver targets and priorities as set out in the Major Repairs and Renewals Strategy, aimed at maintaining the good standard of council homes	Apr 2009 to Mar 2010	Targets met. All elements of programme on track	<ul style="list-style-type: none"> <li>£7.4 m repairs programme</li> <li>£1m additional programme agreed</li> </ul>	Head of Contracts & Property Services
Safe and Strong Communities (Health and Well Being)	<b>Asset Management</b> – To manage, monitor and report as appropriate the small scale programme of asset disposals,	Apr 2009 to Mar 2010	Supp. capital programme on track	10 homes sold in the year generating > £1m receipt for HRA works	Head of Landlord Services

Corporate Priority	What will we do?	When will we do it?	How will we measure our success?	How much time / money will it take?	Who's Accountable ?
Inclusive Society	<b>Sustainability</b> – To ensure the energy efficiency of the housing stock remains within the top 25% of all local authority landlords	Mar 10	SAP rating comparisons	Measures included in maintenance programme such as insulation works and boiler replacements	Head of Contracts & Property Services
Safe and Strong Communities (Health and Well Being and Inclusive Society)	<p><b>Sheltered/Supported Housing</b> - To continue to modernize the provision of Older Persons housing by:</p> <p>Implementation of the changes approved as part of Supporting People contracts to achieve a more cost effective support service and provide extended community support to residents of all tenures.</p> <p>Extending and improving provision of community facilities (internet access, guest rooms, shops and other services to dedicated supported housing schemes</p> <p>Implementing an Incentives programme aimed at encouraging those under-occupying family homes and in need of support to relocate to more appropriate accommodation</p>	<p>Oct 09</p> <p>Apr 09 – Mar 10</p> <p>Dec 09</p>	<p>Implemented in accordance with Cabinet approvals</p> <p>Range of facilities at each scheme</p> <p>10 tenants move as a result of incentives</p>	<p>Resources will vary from scheme to scheme.</p> <p>Part of project officer role. Resources to be determined</p> <p>As above</p>	Hsg Services Manager

Corporate Priority	What will we do?	When will we do it?	How will we measure our success?	How much time / money will it take?	Who's Accountable ?
<p>Safe and Strong Communities (Health and Well Being and Inclusive Society)</p>	<p><b>Extra Care</b> – To work with Hampshire Adult Services and other partners to:</p> <p>Provide a specialist Extra Care wing at Whitewings House, Denmead, subject to detailed feasibility.</p> <p>Review the potential for further development of Extra Care services in conjunction with Hampshire Adult Services</p> <p><b>Central Control</b> - To improve value for money achieved by Central Control Service by:</p> <p>Extending the provision of Telecare services throughout the district</p> <p>Growth of private lifelines business to use spare capacity</p>	<p>Apr 09 – Mar 10</p> <p>Apr 09 – Mar 10</p> <p>Apr 08 – Mar 10</p>	<p>Cabinet approval of project plan</p> <p>Plans agreed for increased numbers</p> <p>HCC grant secured and committed</p> <p>Income up by 20%</p>	<p>To be determined. Up to £300k capital required (external funding to be sought)</p> <p>Key task for Hsg Services Mgr and Project officer</p> <p>2 fte to be committed to this service. Funded by HCC grant</p> <p>Spare capacity</p>	<p>Housing Services Manager</p>

Corporate Priority	What will we do?	When will we do it?	How will we measure our success?	How much time / money will it take?	Who's Accountable?
Safe and Strong Communities (Freedom from Fear)	<p><b>Respect</b> - To procure specialist Mediation services funded on a "case by case" basis</p> <p>To review and revise where appropriate all Housing Management policies and procedures in light of the standard</p> <p><b>Choice Based Lettings</b> – To support the implementation of CBL</p>	<p>Jun 09</p> <p>Apr 09- Oct 09</p> <p>Apr 09 – Nov 09</p>	<p>Revised service operational</p> <p>Procedures updated &amp; approved by TACT</p> <p>CBL implemented with no adverse impact on letting targets</p>	<p>£5k included in HR Budget</p> <p>Core duty for Principal Area Hsg Mgr and Community Relations Officer</p> <p>Tenancy Services Manager, Voids officer, + Business Services support as required</p>	Tenancy Services Manager
Safe and Strong Communities (Inclusive Society)	Equalities – To implement the Action Plan and Training programme set out in the Landlord Services Equalities and Customer Excellence Service Plan	<p>Mar 10</p> <p>Mar 10</p>	<p>Up to date Equalities data maintained for over 70% of tenants.</p> <p>Training Plan implemented.</p>	<p>Core task for Housing Project Officer</p> <p>£4k allocated to fund this element of training programme</p>	Head of Landlord Services
An Efficient and Effective Council.	<b>Procurement</b> - To review options for the long term procurement of all responsive and planned maintenance contracts beyond 2011.	Mar 2010	Clear way forward determined	Officer time for works procurement to be determined	Head of Contracts & Property Services

Corporate Priority	What will we do?	When will we do it?	How will we measure our success?	How much time / money will it take?	Who's Accountable?
An Efficient and Effective Council	<b>Arrears performance</b> – To maintain current tenant arrears at or below 1% of the total rent roll	Apr 09 - Mar 10	Year end performance achieved	Existing establishment set to achieve this	Tenancy Services Manager
	<b>Voids Performance</b> – To meet the significantly reduced target for void turnaround time (now 25 days for general needs, 40 days for sheltered)	Apr 09 – Mar 10 (and beyond)	Average turnaround time down to 25 days	Existing establishment set to achieve this	Tenancy Services Manager
	<b>Repairs Performance</b> – To achieve all Repairs targets and keep repairs service in top 25% of performers nationally	Apr 09 - Mar 10	Year end targets achieved	Existing establishment set to achieve this	Head of Property and Contracts
	<b>Achieve income targets</b> – To closely monitor income to ensure that higher targets set for 2008/09 are achieved for each area of activity	Apr 09- Mar 10	Income budget targets achieved	Existing establishment set to achieve this	Heads of Landlord Services
	<b>Benchmarking</b> – To report “benchmarking” data for all services and capital works to Social Issues Scrutiny Panel using existing data sources (Audit Commission, Housemark, CIPFA etc) and “partner” housing associations where possible	Dec 09	Benchmark reports available for scrutiny process	To be determined	All service heads
	<b>ICT</b> – To complete a feasibility review into replacing the orchard Housing Management system	Dec 09	Feasibility Report completed	Hsg Systems Mgr lead - £80k included in capital programme	Hsg Systems Mgr



Corporate Priority	What will we do?	When will we do it?	How will we measure our success?	How much time / money will it take?	Who's Accountable?
Health and Well Being (Inclusive Society)	<p><b>Tenant Inspection Groups</b> – In association with South Coast Training Group, to undertake two “cross landlord” tenant inspections of key landlord services</p>	<p>April 09 – Mar 10</p>	<p>2 tenant inspections completed</p>	<p>TP staff – 12 days Tenant reps – 3 x 12 days each</p>	<p>Tenant Involvement Mgr</p>
	<p><b>Resident Involvement</b> – To extend resident involvement through developing a mix of involvement activities for tenants expressing interest in getting involved (175 through Tenant Talk questionnaire)</p>	<p>April 09 – Mar 10</p>	<p>&gt;100 additional tenants involved by year end</p>	<p>TP staff - &gt; 25 days in total on this project</p>	<p>Tenant Involvement Mgr</p>

## 5 The HRA Budget 2009/10 and Beyond

### 5.1 The HRA Budget 2009/10

- 5.4.1 The City Council approved an average rent increase of 6.14% for 2009/10. The HRA budget for the year is projected to achieve year end surplus of £98,760. Working balances at March 2010 are projected at £905,288 (plus a further £407,275 included within the Council's Self Insurance Fund).

### 5.2 Long Term Projections

- 5.4.1 The HRA Business Plan 2004-34 provided detailed long term financial projections and sensitivity analysis and all of this remains valid for the current budget. The projections concluded that there were sufficient resources to fund the Council's Decent Homes Programme and that the HRA was sustainable to well beyond 2010. It did however identify potential longer term funding issues as maintenance costs are projected to increase further in the next 10 years due to ageing facilities. It also concluded that the projections are sensitive to external changes such as changes to the subsidy system.
- 5.4.2 The projections have now been updated in light of projected costs at November 2008 (although not the very latest budget figures which result in very minor and not material changes). The updated projections are included in table 6 on page 34 below. From this, it can be seen that with no positive changes to the subsidy system, revenue balances would be exhausted by 2012.
- 5.4.3 The Housing Options Review team need to consider the impact of any announcements from the Government's review of housing finance (expected in June 2009) as soon as they materialise. Without changes that will generate significant additional resource to fund repairs and other services, the Council will need to seriously consider either major reductions to services or changes to the management of the service.

### 5.3 Achieving Efficiencies

- 5.4.1 In 2008/09, significant efficiencies have been achieved through reducing the time taken to relet properties, reducing the number of properties relet through changes to the allocations system in relation to internal transfers and through increasing the number of private residents connected to the Council's Lifeline service. In total, these efficiencies will result in additional income in excess of £120,000 per annum.

### 5.4 Ensuring Value for Money

- 5.4.1 With the increasing financial pressures highlighted above, ensuring that Council services provide value for money is essential. The tables shown below give an overview of cost and performance compared with other local authority landlords for 2007/08.
- 5.4.2 Whilst certain key performance indicators have dropped out of the top quartile nationally, overall performance compares well with other local authority landlords. At the same time, the unit cost of Housing Management (everything other than repairs works) is well below the average nationally. The City

Council's unit cost of £13.42 per property per week for 200/08 compares to the national average of £16.04 and £16.28 for district councils in the south of England. In fact, it is worth noting that the projected unit costs for 2008/09 remain below £14.00.

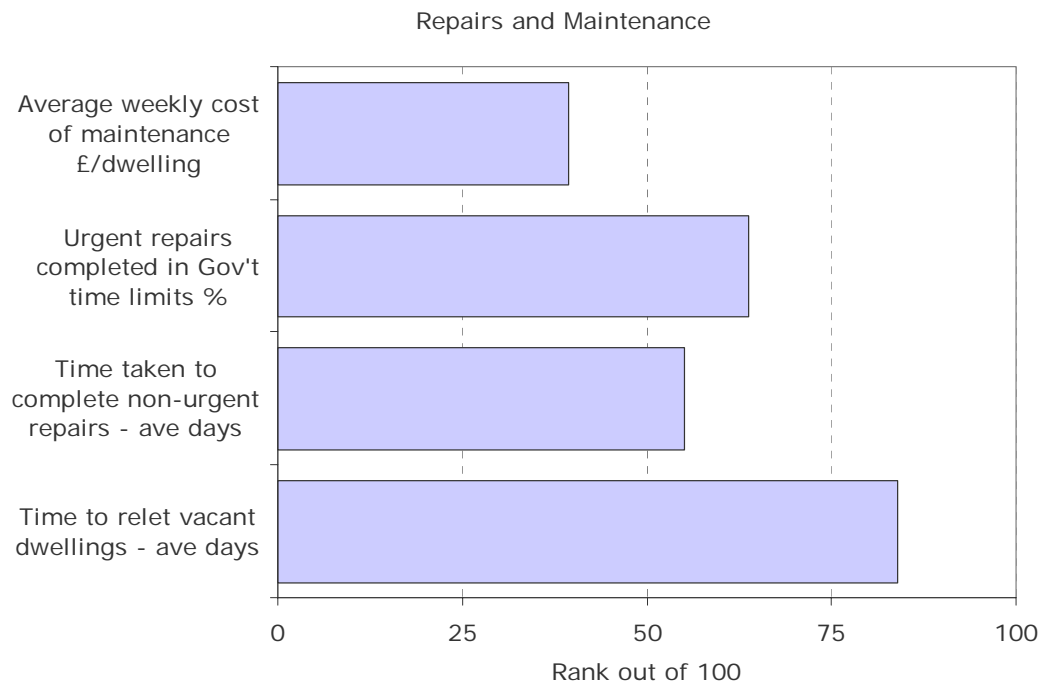
- 5.4.3 Overall this cost compared to outputs demonstrates value for money. In areas where performance has not been as strong, such as void management, significant attention has been given to improve performance, without any increase in management costs.
- 5.4.4 The tables below have been produced by the Audit Commission and give comparison of Winchesters costs and performance compared to other district council landlords for 2007/08.

**Table 1 – Housing Management – Spend per Dwelling**



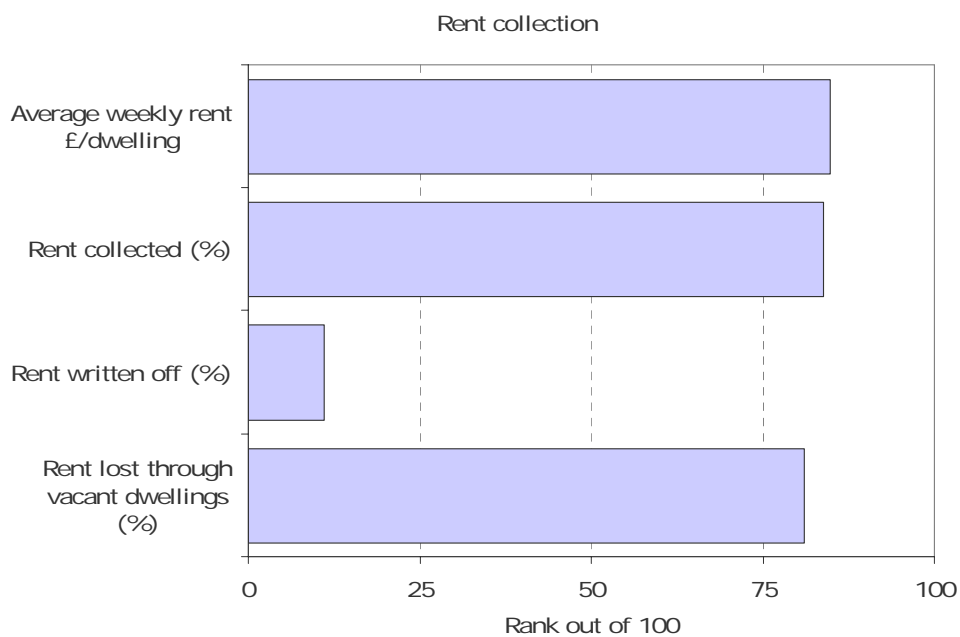
- 5.4.5 This table indicates that weekly unit costs for housing management and maintenance are below the national average. They are significantly lower than the average for southern district councils as detailed in paragraph 5.2 above.

**. Table 2 – Repairs and Maintenance**



5.4.6 This table indicates that key performance on repairs indicators is above the national average (planned versus responsive repairs and urgent repairs completed on time). As discussed in the report, void management has been improved significantly since the period shown in the above tables. The final figure for 2008/09 will remain below average, but improvements made this year will result in much better year end performance in 2009/10

**Table 3 – Rent Collection**



5.4.7 This table shows that whilst collection rates are in the top quartile, rent lost through vacant dwellings remained high in 2007/08. This will improve as a result of the void improvements described above

**Table 4 - National Performance Indicators**

Ref	Indicator	Winchester Performance 2007/08	Top Quartile 2007/08	National Average for District Las 2007/08
BVPI 66a	Percentage of Rent Collected	99.25%	98.99	97.87
BVPI 63	Energy Efficiency – SAP Rating	77.78	72.75	69.28
LPI 0045	Urgent Repairs completed on time	97.28	N/A	97
BVPI 212	Days taken to relet Voids	53.24	24	33.64
NI 160	Tenant Satisfaction	84	84.85	80.98
BVPI 75	Satisfaction with involvement opportunities	69	71	67.15
NI 158	% of Non Decent Homes	0.5	7	20.9
	Cost of Housing Management	£13.42	N/A	£16.04

5.4.8 Whilst none of the above data provides conclusive evidence, it all contributes towards an overall positive picture on value for money. More systematic and independently validated information will be produced this year to further test the accuracy of the above information.

**5.4.9 The HRA Budget 2009/10**

The budget for next year is detailed in the table on the following page:

Table 5:

## HOUSING REVENUE ACCOUNT BUDGET - 2009/10

Service Summary	2007/08 Actual	2008/09 Original Budget	2008/09 Revised Budget	2009/10 Original Budget
	(2)	(3)	(4)	(5)
<b>Net Cost of Service</b>				
<b>Expenditure</b>	£	£	£	£
Housing management - General	2,614,790	2,716,800	2,497,330	2,564,639
Housing management - Special :				
- Sheltered housing	716,253	881,100	860,684	1,041,856
- Communal services	74,933	73,980	97,964	91,816
- Homelessness	12,500	16,830	36,802	31,856
- Estate maintenance	194,029	186,900	188,255	304,884
- Miscellaneous works	910,017	769,450	1,016,573	921,628
Total housing management - Special	1,907,732	1,928,260	2,200,278	2,392,040
Repairs - administration	739,596	849,940	917,271	1,071,731
Repairs Works (revenue)	3,166,634	3,187,000	3,562,000	3,430,350
Contribution to Bad Debt Provision	89,132	0	0	0
Debt Management Expenses	39,845	40,960	40,960	42,081
Cost of Capital Charge	0	0	0	0
Depreciation and impairments of fixed assets	3,705,662	3,713,870	3,863,155	3,983,043
<b>Total Expenditure</b>	<b>12,263,391</b>	<b>12,436,830</b>	<b>13,080,994</b>	<b>13,483,883</b>
<b>Income</b>				
Dwelling rents	(18,198,767)	(19,230,000)	(19,400,000)	(20,550,000)
Garage rents	(697,740)	(750,000)	(750,000)	(750,000)
Sheltered charges	(317,701)	(325,000)	(360,000)	(360,000)
Supporting people	(750,668)	(640,560)	(675,560)	(675,560)
Other income	(264,828)	(216,460)	(195,000)	(216,460)
Total rents and other income	(20,229,704)	(21,162,020)	(21,380,560)	(22,552,020)
HRA subsidy (incl MRA)	6,911,530	8,259,590	8,379,692	9,093,007
Total Subsidy	6,911,530	8,259,590	8,379,692	9,093,007
<b>Total Income</b>	<b>(13,318,174)</b>	<b>(12,902,430)</b>	<b>(13,000,868)</b>	<b>(13,459,013)</b>
<b>NET COST OF SERVICES</b>	<b>(1,054,783)</b>	<b>(465,600)</b>	<b>80,126</b>	<b>24,870</b>
<b>Capital Charges</b>				
Adjusting transfer from AMRA	619,988	631,130	506,526	162,088
Amortised premiums and discounts	225,833	225,830	225,830	225,830
Investment income/mortgage interest	(93,317)	(69,250)	(105,912)	(24,906)
<b>Total Capital Charges</b>	<b>752,504</b>	<b>787,710</b>	<b>626,444</b>	<b>363,012</b>
<b>Transfer to GF for Rebates</b>	<b>0</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>NET OPERATING EXPENDITURE</b>	<b>(302,279)</b>	<b>322,110</b>	<b>706,570</b>	<b>387,882</b>
<b>Appropriations</b>				
Transfer to/from Major Repairs Reserve (re depreciation)	(379,860)	(389,830)	(539,112)	(539,112)
Transfer re Pension Reserve re FRS17	(62,434)	0	0	0
Transfer to/(from) Insurance Reserve	(62,068)	52,470	52,470	52,470
Revenue Contribution to Capital	442,213	0	0	0
	(62,149)	(337,360)	(486,642)	(486,642)
<b>HRA Working Balance</b>				
<b>Net HRA -Deficit/(Surplus)</b>	<b>(364,428)</b>	<b>(15,250)</b>	<b>219,928</b>	<b>(98,760)</b>
<b>Balance Brought Forward HRA Working Balance</b>	<b>(662,028)</b>	<b>(716,247)</b>	<b>(1,026,456)</b>	<b>(806,528)</b>
<b>Balance Carried Forward HRA Working Balance</b>	<b>(1,026,456)</b>	<b>(731,497)</b>	<b>(806,528)</b>	<b>(905,288)</b>
<b>HRA Insurance Reserve-Balance Brought Forward</b>	<b>(364,403)</b>	<b>(344,744)</b>	<b>(302,335)</b>	<b>(354,805)</b>
<b>Revenue Contribution</b>	<b>0</b>	<b>(52,470)</b>	<b>(52,470)</b>	<b>(52,470)</b>
<b>Contribution to HRA</b>	<b>62,068</b>	<b>0</b>	<b>0</b>	<b>0</b>
<b>Balance Carried Forward Insurance Reserve</b>	<b>(302,335)</b>	<b>(397,214)</b>	<b>(354,805)</b>	<b>(407,275)</b>
<b>Balance Carried Forward Total HRA Reserves</b>	<b>(1,328,791)</b>	<b>(1,128,710)</b>	<b>(1,161,333)</b>	<b>(1,312,563)</b>

**Table 6: Winchester City Council  
Business Plan**

**Operating Account – 2008 to 2038**

Year	Year	Income					Expenditure										Net Operating (Expenditure) £,000	Provision for repayment of external loans £,000	Transfer from / (to) MRR £,000	RCCO £,000	Surplus (Deficit) for the Year £,000	Surplus (Deficit) b/fwd £,000	Interest £,000	Surplus (Deficit) c/fwd £,000
		Net rent Income £,000	Other income £,000	Misc Income £,000	HRA Subsidy Receivable £,000	Total Income £,000	Managt. £,000	Depreciation £,000	Maint. £,000	Other Revenue spend £,000	HRA Cost of Rent Rebates £,000	Misc expenses £,000	HRA Subsidy Payable £,000	Total expenses £,000	Capital Charges £,000									
1	2008.09	19,464	1,932	0	0	21,396	(5,494)	(3,714)	(3,205)	0	0	0	(8,378)	(20,790)	(775)	(169)	0	390	0	221	1,026	62	1,309	
2	2009.10	20,623	1,952	0	0	22,575	(5,679)	(3,477)	(3,323)	0	0	0	(8,848)	(21,327)	(776)	471	0	0	0	471	1,309	85	1,865	
3	2010.11	21,821	2,006	0	0	23,827	(5,866)	(3,562)	(3,444)	0	0	0	(9,753)	(22,625)	(778)	425	0	0	0	425	1,865	114	2,404	
4	2011.12	22,774	2,063	0	0	24,837	(6,058)	(3,654)	(4,892)	0	0	0	(10,439)	(25,043)	(774)	(980)	0	0	(624)	(1,604)	2,404	88	888	
5	2012.13	23,695	2,114	0	0	25,809	(6,239)	(3,747)	(5,056)	0	0	0	(11,307)	(26,349)	(554)	(1,094)	(0)	0	0	(1,094)	888	19	(187)	
6	2013.14	24,647	2,167	0	0	26,814	(6,425)	(3,843)	(5,176)	0	0	0	(11,982)	(27,426)	(555)	(1,167)	(0)	0	0	(1,167)	(187)	(42)	(1,396)	
7	2014.15	25,632	2,221	0	0	27,854	(6,617)	(3,941)	(5,298)	0	0	0	(12,683)	(28,538)	(557)	(1,241)	0	0	0	(1,241)	(1,396)	(111)	(2,749)	
8	2015.16	26,651	2,277	0	0	28,927	(6,814)	(4,042)	(5,423)	0	0	0	(13,410)	(29,689)	(558)	(1,319)	(0)	0	0	(1,319)	(2,749)	(187)	(4,256)	
9	2016.17	27,703	2,334	0	0	30,037	(7,017)	(4,146)	(5,551)	0	(6)	0	(14,166)	(30,886)	(559)	(1,408)	0	0	0	(1,408)	(4,256)	(273)	(5,936)	
10	2017.18	28,563	2,392	0	0	30,955	(7,227)	(4,252)	(5,682)	0	(30)	0	(14,645)	(31,834)	(561)	(1,440)	(0)	0	0	(1,440)	(5,936)	(366)	(7,742)	
11	2018.19	29,425	2,452	0	0	31,877	(7,442)	(4,361)	(5,816)	0	(21)	0	(15,183)	(32,823)	(562)	(1,508)	0	0	0	(1,508)	(7,742)	(467)	(9,717)	
12	2019.20	30,295	2,513	0	0	32,808	(7,664)	(4,472)	(5,953)	0	(12)	0	(15,719)	(33,820)	(564)	(1,575)	0	0	0	(1,575)	(9,717)	(578)	(11,870)	
13	2020.21	31,183	2,576	0	0	33,759	(7,893)	(4,586)	(6,093)	0	(9)	0	(16,255)	(34,835)	(565)	(1,642)	(0)	0	0	(1,642)	(11,870)	(698)	(14,210)	
14	2021.22	32,089	2,640	0	0	34,729	(8,128)	(4,704)	(6,237)	0	(5)	0	(16,799)	(35,872)	(567)	(1,710)	0	0	0	(1,710)	(14,210)	(829)	(16,749)	
15	2022.23	33,061	2,706	0	0	35,768	(8,371)	(4,824)	(6,384)	0	0	0	(17,406)	(36,984)	(568)	(1,785)	0	0	0	(1,785)	(16,749)	(970)	(19,504)	
16	2023.24	34,006	2,774	0	0	36,780	(8,620)	(4,947)	(6,534)	0	0	0	(17,963)	(38,065)	(570)	(1,855)	(0)	0	0	(1,855)	(19,504)	(1,124)	(22,482)	
17	2024.25	34,977	2,843	0	0	37,820	(8,877)	(5,074)	(6,688)	0	0	0	(18,537)	(39,176)	(571)	(1,927)	(0)	0	0	(1,927)	(22,482)	(1,290)	(25,699)	
18	2025.26	35,976	2,914	0	0	38,890	(9,142)	(5,204)	(6,846)	0	0	0	(19,128)	(40,320)	(573)	(2,002)	0	0	0	(2,002)	(25,699)	(1,469)	(29,170)	
19	2026.27	37,004	2,987	0	0	39,991	(9,415)	(5,337)	(7,007)	0	0	0	(19,738)	(41,497)	(575)	(2,081)	0	0	0	(2,081)	(29,170)	(1,662)	(32,912)	
20	2027.28	38,060	3,062	0	0	41,122	(9,696)	(5,473)	(7,172)	0	0	0	(20,366)	(42,707)	(577)	(2,161)	(0)	0	0	(2,161)	(32,912)	(1,870)	(36,943)	
21	2028.29	39,147	3,138	0	0	42,286	(9,985)	(5,613)	(7,341)	0	0	0	(21,014)	(43,953)	(578)	(2,245)	(0)	0	0	(2,245)	(36,943)	(2,094)	(41,282)	
22	2029.30	40,265	3,217	0	0	43,482	(10,283)	(5,757)	(7,514)	0	0	0	(21,681)	(45,234)	(580)	(2,332)	(0)	0	0	(2,332)	(41,282)	(2,335)	(45,949)	
23	2030.31	41,415	3,297	0	0	44,712	(10,589)	(5,904)	(7,691)	0	0	0	(22,368)	(46,553)	(582)	(2,423)	0	0	0	(2,423)	(45,949)	(2,594)	(50,966)	
24	2031.32	42,597	3,380	0	0	45,977	(10,905)	(6,055)	(7,872)	0	0	0	(23,077)	(47,909)	(584)	(2,516)	(0)	0	0	(2,516)	(50,966)	(2,872)	(56,354)	
25	2032.33	43,813	3,464	0	0	47,277	(11,230)	(6,209)	(8,058)	0	0	0	(23,807)	(49,304)	(586)	(2,613)	0	0	0	(2,613)	(56,354)	(3,171)	(62,139)	
26	2033.34	45,064	3,551	0	0	48,615	(11,565)	(6,368)	(8,248)	0	0	0	(24,559)	(50,740)	(588)	(2,714)	(0)	0	0	(2,714)	(62,139)	(3,492)	(68,346)	
27	2034.35	46,350	3,640	0	0	49,990	(11,910)	(6,531)	(8,442)	0	0	0	(25,335)	(52,218)	(591)	(2,818)	0	0	0	(2,818)	(68,346)	(3,837)	(75,000)	
28	2035.36	47,673	3,731	0	0	51,404	(12,265)	(6,697)	(8,641)	0	0	0	(26,134)	(53,737)	(593)	(2,927)	(0)	0	0	(2,927)	(75,000)	(4,206)	(82,132)	
29	2036.37	49,034	3,824	0	0	52,857	(12,631)	(6,869)	(8,844)	0	0	0	(26,957)	(55,301)	(595)	(3,039)	(0)	0	0	(3,039)	(82,132)	(4,601)	(89,772)	
30	2037.38	50,433	3,919	0	0	54,352	(13,008)	(7,044)	(9,052)	0	0	0	(27,805)	(56,910)	(597)	(3,155)	0	0	0	(3,155)	(89,772)	(5,024)	(97,951)	

**Table 7: Winchester City Council  
Business Plan**

**Major Repairs and Improvements Financing**

		Expenditure							Financing						
Year	Year	Catch up Repairs £,000	Planned Maint £,000	Improve- ments £,000	Disabled Adaptations £,000	Exceptional Extensive £,000	Other £,000	Total Expenditure £,000	Borrowing £,000	RTB Receipts £,000	Other £,000	MRR £,000	RCCO £,000	Total Financing £,000	Shortfall £,000
1	2008.09	0	3,329	0	0	0	0	3,329	0	0	200	3,129	0	3,329	0
2	2009.10	0	3,558	0	0	0	0	3,558	0	0	200	3,358	0	3,558	0
3	2010.11	0	3,779	0	0	0	0	3,779	0	0	200	3,579	0	3,779	0
4	2011.12	0	7,199	30	0	0	0	7,229	0	0	0	4,078	624	4,702	2,527
5	2012.13	0	7,441	32	0	0	0	7,473	0	0	0	3,759	0	3,759	3,714
6	2013.14	545	7,779	19	0	0	0	8,344	0	0	0	3,843	0	3,843	4,500
7	2014.15	558	7,963	20	0	0	0	8,541	0	0	0	3,941	0	3,941	4,600
8	2015.16	571	8,152	20	0	0	0	8,743	0	0	0	4,042	0	4,042	4,701
9	2016.17	585	8,345	21	0	0	0	8,950	0	0	0	4,146	0	4,146	4,805
10	2017.18	599	8,542	21	0	0	0	9,162	0	0	0	4,252	0	4,252	4,910
11	2018.19	919	7,140	0	0	0	0	8,060	0	0	0	4,361	0	4,361	3,699
12	2019.20	941	7,309	0	0	0	0	8,250	0	0	0	4,472	0	4,472	3,778
13	2020.21	963	7,482	0	0	0	0	8,445	0	0	0	4,586	0	4,586	3,859
14	2021.22	986	7,659	0	0	0	0	8,645	0	0	0	4,704	0	4,704	3,942
15	2022.23	1,009	7,841	0	0	0	0	8,850	0	0	0	4,824	0	4,824	4,026
16	2023.24	0	5,348	0	0	0	0	5,348	0	0	0	4,947	0	4,947	401
17	2024.25	0	5,475	0	0	0	0	5,475	0	0	0	5,074	0	5,074	401
18	2025.26	0	5,605	0	0	0	0	5,605	0	0	0	5,204	0	5,204	401
19	2026.27	0	5,737	0	0	0	0	5,737	0	0	0	5,337	0	5,337	401
20	2027.28	0	5,873	0	0	0	0	5,873	0	0	0	5,473	0	5,473	400
21	2028.29	0	7,252	0	0	0	0	7,252	0	0	0	5,613	0	5,613	1,639
22	2029.30	0	7,423	0	0	0	0	7,423	0	0	0	5,757	0	5,757	1,666
23	2030.31	0	7,598	0	0	0	0	7,598	0	0	0	5,904	0	5,904	1,695
24	2031.32	0	7,778	0	0	0	0	7,778	0	0	0	6,055	0	6,055	1,723
25	2032.33	0	7,961	0	0	0	0	7,961	0	0	0	6,209	0	6,209	1,752
26	2033.34	0	6,813	0	0	0	0	6,813	0	0	0	6,368	0	6,368	445
27	2034.35	0	6,974	0	0	0	0	6,974	0	0	0	6,531	0	6,531	444
28	2035.36	0	7,139	0	0	0	0	7,139	0	0	0	6,697	0	6,697	441
29	2036.37	0	7,307	0	0	0	0	7,307	0	0	0	6,869	0	6,869	439
30	2037.38	0	7,480	0	0	0	0	7,480	0	0	0	7,044	0	7,044	436



## 6 Key Performance Indicators

Ref. No.	What does this show?	Who reports this?	Achieved 2007/08	Estimate 2008/09	Target 2009/10	Target 2010/11	Target 2011/12
BV63	Average SAP rating of Council owned dwellings	C Broomfield	77.78	<b>78</b>	79	80	80
BV66a	Proportion of rent collected	R Boardman	99.25%	<b>98.5%</b>	99.6%	99.6%	99.6%
BV66b	Number of Tenants owing > 7 weeks rent as percentage of all tenants	A Crosskey	1.92%	<b>2%</b>	1.5%	1.5%	1.5%
BV66c	% of tenants in arrears who have been served NSPs	A Crosskey	47.31%	<b>40%</b>	40%	40%	40%
NI 160	General Needs Tenant satisfaction (%)	R Botham	84%*	<b>82%</b>	82%	84%	84%
NI 158 BV184 a	LA homes which were non-decent at 1 April 2004	C Broomfield	0.5%	<b>0.3%</b>	0%	0%	0%
BV 184 b	% Change in Decent Homes standard	C Broomfield	94.4%	<b>45%</b>	0%	0%	0%
BV 212	Average time taken to Re-let dwellings	A Crosskey	53.24 days	<b>40 days</b>	30 days	25 days	25 days
LPI 0044	% of Repair jobs subject to Complaints	C Broomfield	1.45%	<b>1.3%</b>	1%	1%	1%
LPI 0045	% of urgent repairs completed within government time limits	C Broomfield	97.28%	<b>98%</b>	98%	98%	98%

Ref. No.	What does this show?	Who reports this?	Achieved 2007/08	Estimate 2008/09	Target 2009/10	Target 2010/11	Target 2011/12
LPI 0046	Average time taken to complete non-urgent responsive repairs	C Broomfield	10.5 days	<b>11 days</b>	12 days	12 days	12 days
LPI 0378	To maintain former tenant arrears at below £200,000	A Crosskey	£221k	<b>£200k</b>	£200k	£200k	£200k
LPI 0372	Current tenants owing over 13 weeks rent	A Crosskey	0.84%	<b>1.4%</b>	1%	1%	1%
LPI 0363	Current arrears as % of rent toll	R Boardman	0.83%	<b>1.5%</b>	1%	1%	1%
LPI 0049	Rent written off as % of rent roll (previously BVPI 66c)	R Boardman	0%	<b>0.5%</b>	0.4%	0.4%	0.4%
LPI 0314	% Rent lost through dwellings becoming vacant	R Boardman	1.6%	<b>1.3%</b>	1.2%	1%	1%
LPI 0310	The stock empty at the end of the period	R Boardman	1.92%	<b>1.8%</b>	<2%	<2%	<2%

\* Tenant Satisfaction – It should be noted that until 2007/08, tenant satisfaction monitoring included sheltered housing and general needs mixed. The new National Indicator includes only General Needs satisfaction levels.

7 Key Elements of Risk Management

Risk number	Rating	Short name	Risk ownership	Cause	Consequence	Action required
OP0008	12	Sensitivity of HRA funding	Richard Botham	Rent re-structuring, Subsidy Rule Changes, Right to Buys, increasing corporate costs etc	(1) Insufficient funds to meet service needs and Decent Homes Plus Standard, (2) Tenant dissatisfaction, (3) Members challenge, (4) Challenge to delivery of service (5) transfer of service (6) huge impact on other council services	<i>Maintain reasonable reserves Maximise income Scrutinise recharge costs</i>
OP0009	9	Not maintaining the Decent Homes Standard	Clive Broomfield	Lack of Funding, Tenant Priorities, Lack of Clear Plans	(1) Government Intervention, (2) Forced Solution, (3) Bad publicity	<i>Clear strategy agreed and monitored</i>
OP0010	6	Adequacy of utilities checks	Clive Broomfield	Servicing gas fired appliances in council homes is conducted by an outside contractor. Unable to gain access to homes, Failure to comply with regulations / negligent	(1) Tenants at risk (2) Fatality (3) Council sued (4) Officers libel (5) HSE involved (6) Massive fine (7) Lack of confidence for other tenants (8) Negative publicity	<i>Comprehensive service contract Robust injunction process to ensure access gained to all properties</i>
OP0011	6	Communal housing	Richard Botham	Loss of utilities, storm/flood, building failure	Urgent evacuation/re-homing of residents. Urgent requirement for maintenance/repairs. Major unplanned impact on resources	<i>Clear Business Continuity Plan in place and kept up to date Test exercise completed in 2007. Further test planned for 2009.</i>
OP0012	6	Loss of a major contractor (SERCO or Nationwide)	Clive Broomfield	Receivership/business failure. Very poor performance	No response to urgent responsive repairs or gas servicing. Failure to meet statutory targets	<i>Clear procurement processes Constructionline in place</i>

Risk number	Rating	Short name	Risk ownership	Cause	Consequence	Action required
OP0013	6	Failure of Central Control staff	Linda Curtis	Ill Health of late night operator	(1) 2000 Vulnerable people, (2) Death of person, (3) Political implications, (4) Adverse publicity, (5) Legal Liability, (6) Business Loss, (7) Loss of Trust/Reputation	<i>Back up services agreed with other provider. Business Continuity Plan in place and tested regularly</i>
OP0014	6	Failure of Central Control technology	Linda Curtis	Technological breakdown (Computer, telephone lines, lifeline system)	(1) 2000 Vulnerable people, (2) Death of person, (3) Political implications, (4) Adverse publicity, (5) Legal Liability, (6) Business Loss, (7) Loss of Trust/Reputation	<i>Comprehensive servicing and maintenance arrangements SLA agreed and tested with Tunstall  Comprehensive Disaster Recovery system in place (Greens Close, Bishops Waltham) and tested weekly.</i>

**Summary Description of Elemental Components of Major Repairs, Renewals & Maintenance Programmes and their Management/Purpose (See Section 3.3)  
(Including Proposed Deferred Works from 1 April 2009)**

REF	ELEMENT	SUMMARY DESCRIPTION
1	<b>Term Maintenance Works Programme</b>	Generally day to day repair works carried out on demand by tenant request and/or property inspection. Works included are to all HRA property related assets. Majority of works carried out by Principal Term Contractor, Serco under 10-year Term Maintenance Contract based on National Housing Federation Schedule of Rates (NHF SOR) by appointment and utilising customer care return cards to assess tenant feedback on performance. For contract administration purposes, Serco are linked to the Repair Module of the Council's Housing Management System, Orchard.
2-5.	Void Property Maintenance Works.	<p>Property becoming vacant because previous tenancy has ended. Following inspection of it's condition (including video recording) work is defined (some mandatory) to restore properties to a "minimum void standard" within a pre-determined time scale. Where appropriate recharges are raised with previous tenants based on the condition of the property when the tenancy ended. In some cases voids are classified "long term void" owing to the condition of the property (and the time needed to restore) or because they are hard to let.</p> <p>Decorating Vouchers are allocated by the Voids Surveyor to ingoing tenants where deemed necessary to assist with the cost of redecoration. On completion of restoration works to the Council's "minimum voids standard" properties are then available for re-letting.</p> <p>In December 2006, the Council determined Serco's void works contract, because of ongoing performance issues, and awarded 4<sup>1/4</sup> year contracts to other contractors, utilising similar NHF Schedules of Rates.</p>
6.	<p><b>Cyclic Maintenance Works Programme:</b> External Repair &amp; Painting Programme.</p> <p>(From 1 April 2009 the painting element of the programme is proposed to be cash limited. Repairs will be undertaken on a needs basis.)</p>	Works carried out on a 5-year cycle to repair and paint external parts of building fabric (approx. 1100 properties annually). Each property is inspected by WCC Surveyor to define repairs required. Surveys also define other planned works programmes such as window and door replacement, and other structural repairs carried out as part of the major repairs and renewals programmes and to enable Decent Homes Compliance (Disrepair Category). From 1 April 08 contracts for repair and painting

		works are carried out by 2 specialist contractors as part of a 5 year Partnering Framework Agreement.. All tenants are consulted both pre and post works, and are given the opportunity to comment on performance. Works are wherever possible carried out between April and October.
7.	OAP Internal Redecoration Programme.  (From 1 <sup>st</sup> April 2009 programme is proposed to be suspended)	Discretionary programme. Work carried out on a 5-year cycle (approx. 350 properties annually) to enable persons of pensionable age to have 1 room of their choice redecorated. Tenants are consulted on choices involving finishes and colour schemes. Contracts for redecoration works are carried out by 2 specialist contractors as part of a 5 year Partnering Framework Agreement. Tenants have the opportunity to comment on performance both during and on completion of works. Works are mostly carried out between October and April.
8.	Heating Appliance Service Contract.	Cyclic (annual) and Responsive 5 Year Term Maintenance Contract to service and repair annually all heating appliances fired by gas and solid fuel (totals approx. 4,300 homes), including smoke and carbon monoxide detectors. Further to attend on demand to system malfunction or failure. Works carried out by Term Contract (up to 5 years) by Specialist Contractor based on NHF Schedule of Rates. Term Contract also incorporates framework agreement for upgrading of heating systems as part of planned maintenance programme. For contract administration purposes contractors are linked to the Repair module of the Council's Housing Management System, Orchard. As part of the contract the contractor supplies facility management (unique to heating appliances) to the Council for sustainability and programming purposes. Tenants have the opportunity to comment on all works during and on completion.
9.	Electrical & Mechanical Service Contracts (various).	Service contracts at appropriate intervals carried out to lifts, emergency lighting, fire alarms, water treatment, telecommunications etc. as normally required by Regulation and/or to manufacturer's instructions. From 1 <sup>st</sup> April 08 the majority of works are carried out by specialist contractors As part of 5 year service contracts. All contractors utilised are from the Council's Select List.

10.	Electrical Testing	Works carried out on a 10-year cycle to test the integrity of electrical installations in properties. Following testing, remedial works are carried out as necessary or as part of future planned maintenance programmes. From 1 <sup>st</sup> April 08 works are carried out by specialist contractor as part of a 5 year Service Contract.
11.	Kitchen & Bathroom Renewals  (From 1 April 2009, it is proposed to defer approximately 50% of the planned replacement programme)	On-going rolling programme to replace ageing kitchens and bathrooms. Renewal programmes structured so that Decent Homes will be achieved in full across the 20 and 30 year planning period respectively. Each property is inspected by a Customer Liaison Officer and Surveyor to agree extent of works and new design layout with tenant. Tenant exercises choice of finishes to worktops. Flooring etc. Modernisation where appropriate will include upgrade works to electrics and heating systems. Contracts for modernisation works are procured via appropriate contracts and to Standing Orders, utilising Contractors from the Select List. Tenants have the opportunity to comment on contractor's performance both during and after completion of works.
12.	Window and External Door Replacement Programme	The Council embarked on a PVCu window replacement programme in the mid 1980's. Approx 95% of stock has doubled glazed PVCu or timber double glazed windows. The remaining windows will be assessed for replacement as part of the 5-year cyclic repairs and painting programme on a repairing needs basis. For the period 2009 – 13 it will be necessary to replace windows to approx. 300 properties with PVCu windows towards which extra over funding of £100,000 p.a. is required. From April 2005 external doors have also been assessed for replacement on a repairing needs basis utilising UPVc where appropriate, as part of the same 5 year cycle. Contracts for the supply and fitting of approved type of windows and doors will be via appropriate contractors from the Council's Select List. Tenants are consulted pre and post installation works and given the opportunity to comment on contractors performance.
13  17	External works to achieve and maintain Decent Homes Standard.  Internal Works as above	These are works identified by the Condition Survey that will need to be completed by 2010. The current position (February 2009) regarding properties Not Decent is shown in section 5.8 of this report and totals 15 properties. The proposed strategy to complete works incrementally over the five year period 2005-2010 is shown in section 5.9

		<p>of this report. In summary: -</p> <ul style="list-style-type: none"> <li>• Unfit Properties –As at 31/03/09 all works will be complete.</li> <li>• Amenity Failure – e.g. kitchen layout, these properties are being dealt with incrementally over the 5-year planning period (2005/10).</li> <li>• Disrepair Failure – These properties are being externally repaired as part of the repair and painting programme, incrementally over the 5-year planning period.</li> <li>• A budget for maintaining Decency has been allowed over the 5-year planning period (2005/10), and this money will be expended on external repairs as identified by the 5-year cyclic repairs and painting programme surveys.</li> <li>• Energy Defects – As at 31/03/08 all Energy Efficiency Works as defined by Decent Homes Standard will be completed.</li> </ul> <p>All aforementioned works will form part of planned maintenance programmes under appropriate contracts and carried out by contractors from the Council's Select List. Tenants will be consulted pre and post works and given the opportunity to comment on contractors performance.</p>
14.	Disability Discrimination Act (DDA) works.	<p>A survey has been carried out to assess the implications of DDA to the communal parts e.g. common rooms of sheltered accommodation and general accessibility. Following the strategic assessment of the future use of sheltered accommodation work to assess the need for DDA works was carried out in 2007, together and in conjunction with ongoing assessment and works carried out associated with disabled adaptations. A policy for the most efficient use of communal areas was agreed by 31/12/08.</p>
15.	Garage Repairs and Miscellaneous Estate Works.	<p>Works carried out as necessary on a minimalist basis to the structure of garages to maintain to a basic state of repair, and to miscellaneous areas of estates where a maintenance liability exists, e.g. fencing, walls etc. Repairs and redecorations to garages are usually carried out as part of the 5-year cycle of external repairs and painting on a block by block basis.</p>



16.	Asbestos Removal.	As part of its planned maintenance programme the Council has a duty to manage the presence of asbestos where it exists within the housing stock. Where planned maintenance works require the testing and/or removal of asbestos products, this budget underpins the costs associated with its removal and disposal.
18.	<p>Heating Systems Replacement and associated works.</p> <p>(It is proposed from 1 April 2009 to increase base budget expenditure by £500,000 pa to provide a total budget of £1m pa against an identified need of £1.4m pa).</p>	Rolling programme to upgrade obsolete and/or defective heating appliances within the housing stock. The replacement and upgrade programme is the product of correlation between the heating appliance service contract and information from industry relating to system and parts obsolescence. Systems replacement or upgrading are carried out either as part of the heating appliance service contract (framework agreement) or as a separate planned maintenance contract by contractors from the Council's Select List. Where heating systems are upgraded the criteria is to current Building Regulation Standards (insulation, controls, etc.) and condensing or high efficiency boilers where appropriate. Tenants are consulted pre and post installation works and given the opportunity to comment on contractor performance.
19.	Passenger Lift Refurbishment.	<p>Refurbishment identified by age of equipment, obsolescence, condition etc. All passenger lifts are upgraded depending on usage and a minimum service of bi-monthly/operational hours by specialist contractors. Refurbishment is therefore dependant on lift engineer reports and Zurich, the Council's Insurers who carry out further health &amp; safety examinations on a 6 monthly basis.</p> <p>Stairlifts (approx. 100) in residential properties are serviced annually by a specialist contractor and are inspected annually by Zurich.</p>
20.	<p>Communal TV Aerial Replacement</p> <p>(From 1 April 2009 it is proposed to provide base budget funding of £100,000 pa to commence upgrade works)</p>	61 Systems in sheltered accommodation and flats across the district. Eight sheltered schemes have been upgraded and renewed to an Interactive Receiver System (IRS). The remainder will need to be renewed to digital standard (e.g. analogue, digital and sky channels), prior to digital only reception service being available.
21.	<p>Disabled Adaptation Works</p> <p>(From 1 April 2009 it is</p>	Works carried out to adapt resident's homes to enable elderly and disabled persons to remain in

	proposed to increase base budget expenditure by £345,000 pa to provide a budget of £745,000 in 2008/09 )	<p>their homes. Two schemes operate in parallel: -</p> <ul style="list-style-type: none"> <li>• Fast Track Service – works of simple nature e.g. grab rails, ramps, lowering thresholds etc. carried out on request.</li> <li>• Major Adaptations – works in excess of £500 carried out following a request and medical assessment of needs by an Occupational Therapist (OT). Works range from level access showers, stairlifts, to extensions, and are carried out by schedule of rates or detailed design based specifications. Tenant's needs are assessed in accordance with the priority system relating to "Fair Access to Care". These needs are identified into 2 categories: "Critical" and "Substantial". Tenants are then placed on a prioritised waiting list in accordance to these categories and in date order. Range of works from specialist contractors on the Council's Select List. Tenants and referring OT are consulted on an individual basis pre and post works and are given the opportunity to comment on contractor performance.</li> </ul>
22.	Upgrading of Sewage Treatment Works.	The Council owns 53 sewage treatment works largely in rural, isolated locations across the District. These works are maintained and upgraded by the Access and Infrastructure Division acting in a management agent's capacity. A rolling programme of works is carried out to enable the plant and equipment to perform to statutory standards. Long-term Council policy is towards the adoption of these works (where possible) by Southern Water Services.
23.	Consultancy Support Costs.	Specialist surveys, reports, advice etc required to enable programme overall to be delivered. (E.g. structural engineering surveys).
24.	Planned Maintenance Staff Costs (part).	Proportion of planned maintenance staff costs charged to MRA to enable the HRA working balance to be restored to acceptable level (CAB 1369 refers).

<b>SUPPLEMENTARY MAJOR REPAIRS &amp; RENEWALS PROGRAMME (Commencing April 2007)</b>		
<b>REF</b>	<b>ELEMENT</b>	<b>SUMMARY DESCRIPTION</b>
	<b>Decent Homes Works</b>	
1.	Kitchen & Bathroom Renewals	<p>Ongoing programme to replace kitchens and bathrooms over a 20 and 30 year planning period respectively. (See Appendix A item 11 for background details).</p> <p>It was proposed that the supplementary programme will both underpin and start works to address the backlog of kitchens and bathrooms (Approximately 50 properties) that currently exist (estimated at 31/03/09).</p> <p>The backlog represents properties where kitchens and/or bathrooms are beyond economic repair and those catered for in the current programme. In their condition they would “in spirit” effectively fail the Decent Homes Standard within the Amenity Criteria. Once works are complete then the properties will meet Decent Homes Standards within the respective criteria.</p>
2.	Replacement Garages	<p>The Council currently owns 1867 garages throughout the district of which approximately 600 are constructed of pre-cast concrete. Although garages are maintained to a basic minimum standard, there is no provision in the existing programme for replacement.</p> <p>Two sites were identified where re-construction of 22 garages was needed for health and safety reasons, and where the site offered no re-development potential. The rebuilding of these garages was included in the 2007/08 programme and works have been completed.</p>
3.	Heating System Upgrading/Replacement	<p>The HRA Business Plan 2006/07 Update (CAB 1231), section 6.7 Emerging Issues refers) identified that the Council would need to review it’s heating systems replacement programme to identify future serviceability and longevity.</p> <p>A study was undertaken by Mechanical &amp; Electrical Consultants to assess the most risk adverse replacement programme and ultimately determine the sustainability of the existing upgrade programme. This study concluded that to meet increasing demand with no spares available, a replacement programme averaging 480 units per year at a cost of £1.4m pa over the next 5 years would be required. The existing</p>

		<p>base programme makes provision for approximately £575,000 in 2008/09 with an additional £400,000 being available in 2008/09 from house sales to support a programme of £1m. However with no appreciable house sales anticipated in 2009/10 and with no other sources of funding available a re-balancing of the base programme is necessary as set out in section 3.3 of this report.</p>
4.	Disabled Adaptation Works	<p>The HRA Business Plan 2006/07 Update (CAB 1231 section 6.6 Emerging Issues refers) identified that a backlog of disabled adaptations works had been accumulating since 2005.</p> <p>A backlog of work totalling approx. £300,000 existed at year end 31<sup>st</sup> March 2007. The work required comprised over 70 jobs to different properties including the installation of 50 level access showers, 7 stairlifts and other works concerned with accessibility against a demand driven budget of £400,000 p.a.</p> <p>Funds were incrementally committed throughout 2007/08 towards the caseload backlog as they have become available through house sales, resulting in the backlog being completed by December 2007. In 2008/09 adaptations have prioritised against a budget of £550,000 (£400,000 from base budget and £150,000 from projected house sales). To date 112 changes to bathing arrangements (level access and over-bath showers), installation of 25 stairlifts, and other works concerned with accessibility have been carried out. It is anticipated that at end March 2009 a backlog of work totalling £200,000 will exist.</p> <p>It is proposed that the base budget for 2009/10 will be increased by £345,000 to allow for the backlog together with a budget of £545,000 to meet newly arising need.</p>

5.	Digital Switchover	<p>The HRA Business Plan 2006/07 Update (CAB 1231 section 6.8 Emerging Issues refers) stated that in February 2006 the Government announced the regional timetable for the switch from analogue to digital transmission. The implication of the switchover is that the Council's 61 Communal aerial receiving systems in sheltered accommodation and flats across the district will need to be upgraded. The timetable for switchover to Meridian is 2012 and plans will need to be implemented to achieve this. The estimated cost of upgrading is approximately £300,000 and will probably take 18 months to complete. It is therefore proposed to commit £100,000 towards this project in 2009/10, with further funds being committed in 2010/11 and 2011/12. This will allow works to be carried out on site in the period 2009-2011.</p>
6.	Project Fees	<p>To procure and carry out the proposed Supplementary Major Repairs and Renewals Programme, with an estimated value of £1.0m over the next 5 years will need additional resources to those existing. An indicative sum of £100,000 is included within the programme for project procurement, management and associated purposes. The objective is therefore to supplement the existing Property Services Client Team with sufficient and appropriate support to enable the project works to be efficiently and cost effectively procured and completed on site.</p> <p>With the funding from house sales unpredictable support needs will be assessed on an "as and when necessary" basis</p> <p>This will be in conjunction with existing Client Side staff to determine the Best Value approach towards whom and how to commission these support services.</p>
	<b>Non Decent Homes Works</b>	
7.	Loft Conversions	<p>Provisional allowance was originally made within the indicative programme (commencing 2008/09) to develop a small programme of loft conversions where appropriate that would allow growing families to remain in their existing homes.</p> <p>However higher priority works to enable Decent Homes Standard to be maintained over the period 2008/10 would mean that an additional funding</p>

		resource would need to be identified to fund these works.
8.	Supplementary Energy Efficiency Works	<p>Provisional allowance was originally made within the indicative programme (commencing 2008/09) to replace solid fuel heating systems/appliances with more energy efficient types where possible and subject to tenant demand.</p> <p>However higher priority works to enable Decent Homes Standard to be maintained over the period 2008/10 would mean that an additional funding resource would need to be identified to fund these works.</p>

<b>INDICATIVE SUPPLEMENTARY CAPITAL MAJOR REPAIRS &amp; RENEWALS PROGRAMME &amp; INVESTMENT PROFILE (FEBRUARY 2009 UPDATE)</b>						
HOUSING REVENUE ACCOUNT	2007/08	2008/09	2009/2010	2010/11	2011/12	COMMENTS
<b><u>DECENT HOMES WORKS</u></b>						
Disabled Adaptations	300 ✓	150 *	150	150	150	Funding fully committed but not yet generated by sales
Heating Systems Upgrade	419 ✓	400 x	400	400	400	Strategic review of Heating Systems Replacement complete. 50% funding achieved.
Digital Switchover	-	100 x	100	100	-	Funding not achieved.
Garage Replacement	50 ✓	-	50	-	50	Works completed as planned in 2007/08.
Kitchens & Bathrooms	300 ✓	250 x	200	250	200	50% funding achieved.
<b><u>NON DECENT HOMES WORKS</u></b>						
Loft Conversions	-	-	-	-	-	See comment in Appendix B ref. No 7.
Supplementary Energy Efficiency Works	-	-	-	-	-	See comment in Appendix B ref. No 8.
Project Fees & Associated Costs	25 ✓	100 x	100	100	100	Estimated costs of Consultancy and Staff Support costs.
<b>TOTAL SUPPLEMENTARY CAPITAL PROGRAMME</b>	1.094 ✓	1,000 x	1,000	1,000	1,000	Income generated from property sales in 2007/08 provided funding over the 2 year period 2007/09.

- ✓ = Funding achieved and spent  
 x = Funding not achieved  
 \* = Funding committed but not achieve